

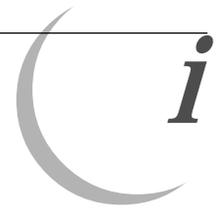
Student Eligibility

Introduction.....	i
Chapter 1: School-Determined Requirements	1
REGULAR STUDENT IN AN ELIGIBLE PROGRAM.....	1
<i>Remedial coursework, Preparatory coursework, Teacher certification coursework</i>	
ELEMENTARY OR SECONDARY ENROLLMENT	3
ACADEMIC QUALIFICATIONS	3
<i>Equivalents to a high school diploma, Home schooling, Ability-To-Benefit (ATB) test</i>	
SATISFACTORY ACADEMIC PROGRESS	6
<i>Qualitative standards; Quantitative standards; Transfer students, change of program, and other elements</i>	
ENROLLMENT STATUS	9
STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS	10
<i>Standards for a qualified drug rehabilitation program</i>	
INCARCERATED STUDENTS	12
CONFLICTING INFORMATION	12
CHANGE IN STATUS	12
<i>Gaining eligibility, Losing eligibility, Eligibility and SAP</i>	
ELIGIBILITY REQUIREMENTS FOR SPECIFIC EDUCATIONAL PROGRAMS	14
<i>Correspondence courses, Telecommunications courses, Students studying abroad</i>	
Chapter 2: Citizenship	15
ELIGIBLE CATEGORIES	15
U.S. CITIZEN OR NATIONAL	16
<i>Citizenship match with Social Security Administration, Other documentation, Updating status for citizens born abroad</i>	
U.S PERMANENT RESIDENTS AND OTHER ELIGIBLE NONCITIZENS.....	19
MATCH WITH DHS RECORDS	20

AUTOMATED SECONDARY CONFIRMATION	21
PAPER SECONDARY CONFIRMATION	23
<i>Documents that establish aid eligibility, Special circumstances, Documents showing ineligible statuses, Using the G-845S for secondary confirmation, Interpreting the USCIS response, Student rights</i>	
CITIZENS OF THE FREELY ASSOCIATED STATES	34
DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS	34
REPLACING LOST DHS DOCUMENTS	35
SUMMARY CHART OF ACCEPTABLE DOCUMENTATION	36
COPIES OF PERTINENT DOCUMENTS	37
Chapter 3: NSLDS Financial Aid History	41
NSLDS MATCH	42
<i>Successful match, No data from match, Post-screening—changes after initial match</i>	
CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS	46
EFFECT OF BANKRUPTCY OR DISABILITY CANCELLATION	48
<i>Bankruptcy, Total and permanent disability cancellation</i>	
NSLDS LOAN STATUS CODES	49
RESOLVING DEFAULT STATUS	51
Chapter 4: Social Security Administration	53
SSN MATCH	53
<i>Successful match, No match on the Social Security Number, No Match on name or birth date, Missing information, Date of death</i>	
APPLICANTS USING SAME SSN	56
EXCEPTION FOR MICRONESIA, MARSHALL ISLANDS, AND PALAU	59
Chapter 5: Selective Service	61
GENERAL INFORMATION	61
EXEMPTIONS	61

SELECTIVE SERVICE MATCH	63
<i>Successful matches, Unsuccessful matches</i>	
FAILURE TO REGISTER	64
<i>Determining if non-registration was knowing and willful</i>	
Chapter 6: Program-related Eligibility Requirements	67
PELL GRANTS	67
<i>Eligible postbaccalaureate program, Incarcerated students</i>	
STAFFORD AND PLUS LOANS	69
<i>Preparatory coursework, Teacher certification coursework, Parent borrower eligibility, Parent adverse credit history, Refusing to originate or certify a loan, FFEL lender of last resort</i>	
CAMPUS BASED AID GENERAL REQUIREMENTS	71
<i>Teacher certification programs, Special sessions</i>	
PERKINS LOANS	72
<i>Willingness to repay, Previous Perkins loan discharged in bankruptcy</i>	
FEDERAL WORK-STUDY	73
<i>Earnings for the next period of enrollment, Periods of non-attendance, Mini-sessions</i>	
FSEOG	74

Introduction



This volume of the Federal Student Aid Handbook discusses the eligibility requirements for students and parent borrowers and your responsibilities to ensure that recipients qualify for their aid awards.

SOURCES OF INFORMATION

There are many factors that you must consider when reviewing a student's application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether the student is making satisfactory academic progress, and whether the student has a defaulted FSA loan. To answer these questions you receive information about the student from several different sources, including the Department of Education's Central Processing System (CPS) for financial aid applications and the National Student Loan Data System (NSLDS).

Throughout the year the Department provides updates to schools in the form of Dear Partner/Colleague Letters. These letters and other information, such as Federal Register notices and announcements containing system updates and technical guidance, are available on the *Information for Financial Aid Professionals* (IFAP) website (www.ifap.ed.gov).

Schools using software from the Department also receive other materials that explain how the software operates, such as technical references, which are available on the SAIG website. The FSA Handbook doesn't cover the operation of specific pieces of software. Schools using third-party software should consult the vendor's reference materials for technical guidance.

RECENT CHANGES

The FSA Handbook has been reorganized for the 04-05 award year to correspond to the operations of a financial aid office rather than the types of aid programs. For this volume, that means that the EFC, Packaging, and Overpayment chapters were relocated in other volumes, while a new chapter was added that gives the student eligibility requirements that are program-specific.

The name of the agency formerly known as the Immigration and Naturalization Service (INS) has changed from the Bureau of

Program and systems information online

Student Aid Internet Gateway (SAIG)

www.fsadownload.ed.gov

Technical References and Users

Guides for—

- CPS
- Electronic Data Exchange
- RFMS EDE Pell
- Direct Loans
- SSCR
- FISAP
- Packaging

IFAP

ifap.ed.gov

- Federal Registers
- Electronic Announcements
- Dear Partner/Colleague Letters

Citizenship and Immigration Services (BCIS) to United States Citizenship and Immigration Services (USCIS). This agency resides in the Department of Homeland Security (DHS), and the data match for citizenship status is referred to as the DHS match. However, since the match is actually done with the USCIS, and since it is that agency's field offices with which you may need to interact, we refer to both the DHS and USCIS in the chapter on citizenship and eligible noncitizens.

Also in the chapter on citizenship, we have added a statement that for lawful permanent residents whose LPR card has expired and who receive an indication of this on a G-845S response, you should not report the student to the Inspector General if the only problem is that the student needs to update his card. See G-845S response item 12 in chapter 2.

We have added a margin note on p. 11 that distinguishes between the drug question on the FAFSA and the longer-standing drug abuse hold that is a consequence of the 1988 Anti-Drug Abuse Act.

We have also added a margin note pertaining to the Compact Act and its effect on FSEOG and FWS eligibility for citizens of the Republic of the Marshall Islands and the Federated States of Micronesia. See p. 34.

With the addition of the chapter on program-specific requirements, a question arose about how to organize some of the information. Our general conclusion was that guidance that only pertained to one of the broad types of program (DL and FFEL, the Campus-Based programs, Pell) would appear in the program-specific chapter, while guidance that spanned program types would stay in another appropriate chapter. Consequently, the instruction on preparatory coursework, because it only applies to (DL and FFEL) Stafford and PLUS loans, is now in chapter 6, and the instruction on teacher certification programs, because it applies to Perkins, FWS, and Stafford and PLUS loans, remains in chapter 1.

If you have any comments regarding the FSA Handbook, please contact Research and Publications via e-mail at fsaschoolspubs@ed.gov.

School-Determined Requirements

In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.

REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program in order to receive FSA funds (some exceptions are discussed later). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The definition of an eligible program is discussed in detail in the *School Eligibility and Operations* volume of the Handbook.

A school is only required to document a student's enrollment in an eligible program at the time of admission. However, your school must have a system to notify the financial aid office should the student leave the program at any time during the course of enrollment. You must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets the necessary conditions.

Students admitted as conditional are regular students only if they are officially accepted into the eligible degree program, as determined by the school's admission policies. The Department does not define the meaning of official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered to be a regular student and is not eligible until she is officially admitted.

▼ *Continuing education.* Students who enroll in courses in a school's continuing education department without being admitted into an eligible degree or certificate program are not regular students and are not eligible for FSA funds. However, if a student has been

Basic student eligibility issues:

- ➔ must be enrolled as a regular student in an eligible program
 - ➔ elementary/secondary enrollment precluded
 - ➔ must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been home-schooled
 - ➔ must make satisfactory progress
 - ➔ must meet enrollment status requirements
 - ➔ must have resolved any drug conviction issue
- 34 CFR 668.32

Regular student citations and example

HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)

Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate. LCC requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. LCC considers them to be regular students, while others in the same classes are not regular students.

Conditional acceptance examples

Example 1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students and aren't eligible for FSA funds.

Example 2. Park University accepts students into its graduate programs on the condition that the students receive no grade lower than a "B" in the first three courses in their program. During this time, Park University considers these students to be admitted into the graduate programs, so they are eligible for FSA funds. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn, and they then will be ineligible for FSA funds.

Continuing education examples

Example 1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.

Example 2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

Remedial coursework

34 CFR 668.20

admitted into an eligible degree or certificate program and then enrolls in courses in the continuing education department that apply to his degree or certificate program, he would be a regular student and eligible for FSA funds.

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (cf. preparatory coursework, which prepares a student for a given program), and a student enrolled solely in a remedial program is not considered to be in an eligible program. If the student's acceptance into an eligible program is contingent on completing remedial work, she cannot be considered enrolled in the eligible program until she completes the remedial work.

You can't count noncredit remedial hours in the student's enrollment if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for coursework prior to the completion of high school, even if the GED or high school training is offered at postsecondary schools or is required for the postsecondary program.

If the student is admitted into an eligible program and takes remedial coursework within that program, the student can be considered a regular student. In addition, you may count a limited amount of the remedial coursework in the student's enrollment status for financial aid purposes. The remedial coursework must be at least at the high-school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education.

A student may receive federal aid for up to one academic year's worth of remedial coursework. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. ESL courses don't count against these limits. If the remedial coursework is noncredit or reduced-credit, you must determine how many credit hours the coursework is worth to count it in the student's enrollment (see "Enrollment Status" on p. 9).

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans on p. 69.

Teacher certification coursework

A student may receive Federal Work Study and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in a required teacher certification program, even though it does not lead to a degree or certificate awarded by the school. To qualify, the program must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach or in the state where the student is completing the program. Optional courses

that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

For Stafford loans, such students may borrow at the fifth-year undergraduate loan level, and the loan limit is not prorated if the program is less than an academic year. For Perkins loans, a school establishes in its policy whether a student enrolled in a teacher certification program is an undergraduate or graduate student. That will then determine which Perkins loan limits apply; refer to the Handbook volume on packaging and originating aid.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can also receive a Pell grant in certain limited situations. See p. 68.

ELEMENTARY OR SECONDARY ENROLLMENT

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if she is simultaneously enrolled in an eligible postsecondary program. A student is considered to be enrolled in a secondary school if she is pursuing a high school diploma. A student who has completed the diploma requirements but has not yet received a diploma is still considered to be enrolled in secondary school if she is taking postsecondary coursework for which the high school gives credit. A student who has completed but not received a diploma is also considered to be enrolled in secondary school if the high school granting the diploma still considers the student to be enrolled at that high school.

An adult pursuing a GED (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student cannot get aid for the GED training, though he can receive aid for college coursework if he meets ability-to-benefit, home-school, or high school equivalent requirements. An adult can take courses at a high school without being considered enrolled there.

ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

- has a high school diploma;
- has the recognized equivalent of a high school diploma, typically a general education development or GED certificate;
- has completed home schooling; or
- has passed a Department-approved ability-to-benefit test.

Elementary/secondary enrollment

HEA Sec. 484(a)(1), 34 CFR 668.32(b)

Secondary school enrollment examples

Lida is a junior in high school. She enrolls in an electronics technician program at Lem Community College; the coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

Academic qualifications

HEA Sec. 484(d), 34 CFR 668.32(e)

Recognized equivalent of a high school diploma

34 CFR 600.2

A student may self-certify that he has received a high school diploma or GED or that he has completed secondary school through home schooling as defined by state law. If a student indicates on the FAFSA that he has a diploma or GED, your school isn't required to ask for a copy of the diploma or GED. Because the current FAFSA doesn't contain a self-certification for home schoolers, such students may certify that in writing to your school, for example, on an admissions application.

Equivalents to a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

Diploma equivalent example

Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, Brandt decides she didn't excel academically and so doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program, and would be eligible for FSA funds for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA funds.

Home schooling

Though home-schooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a home school that state law treats as a home or private school. Some states issue a secondary school completion credential to home-schoolers. If this is the case in the state where the student was home-schooled, she must obtain this credential in order to be eligible for FSA funds. Her self-certification that she was home-schooled (see above) can include that she received this state credential.

Some students finish their home schooling at an age younger than the age of compulsory school attendance in their state or in the state where your school is. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or persons beyond the compulsory attendance age for the institution's state. The Department considers a home-schooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be home-schooled. See also volume 2 on institutional eligibility.

Citations

Ability to benefit:

Subpart J of Part 668

Home-schooled students:

HEA Sec. 484(d)(3),

34 CFR 668.32(e)(4)

Ability-To-Benefit (ATB) test

If the student doesn't have a high school diploma or equivalent and was not home-schooled, she can still qualify for aid by passing a Department-approved "ability-to-benefit" test. You don't have to use the same test for all students; you can pick the one most suitable for each student. The most recent list of approved tests was published in the September 4, 2002 *Federal Register*.

▼ ***Arranging for ATB tests.*** The regulations also specify testing procedures that your school must follow. You must make arrangements with one or more test administrators, who must be certified by the test publisher. You should contact the test publisher to locate a certified test administrator. Certified test administrators may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

▼ ***Ensuring independent testing.*** To be independently administered, a test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test can't be given by a current or former employee, consultant, or student of the school, an owner or member of the board of directors, a person with a financial interest in the school, or a relative of any of these individuals. In addition, the test administrator cannot score the test, but must submit it to the publisher for scoring.

A test is also independently administered if it is given at an assessment center. An assessment center must be located at an eligible degree-granting school or public vocational institution, and must be responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid processes. An assessment center may score students' tests unless its agreement with the test publisher prohibits it.

To be acceptable for FSA purposes, an approved test must be independently administered in accordance with the procedures specified by the test publisher—such as time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so forth. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

Factors for Test Selection

When selecting a test, the school should consider the following:

- **Relevance of the test to the educational program.** Are the skills and abilities assessed important for successful completion of the program of study?
- **Level of difficulty of the test.** Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?
- **Native language.** If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. (See "Special needs.")
- **Tests for students with physical disabilities.** Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.

Test approval

The Department evaluates submitted tests according to guidelines published in regulations. To apply for approval, the test publisher must submit its test and documentation specified in the regulations. After reviewing the application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will publish in the Federal Register the name of the test and the test publisher and the passing score required for students taking the test.

The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. At this time, no such tests have been submitted for approval.

▼ *Testing non-native English speakers.* The General Provisions regulations specify when special tests can be used for students who are not native speakers of English. The CELSA test can be used for students who are enrolled solely in an ESL program or for students who are enrolled in a program that is taught in English and that has an ESL component in which the student is also enrolled (see the January 12, 2001 *Federal Register* for more on CELSA).

As an alternative, you may determine whether these students have the ability to benefit from your program by using the guidelines in the December 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996.

▼ *Testing disabled students.* For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*) as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. These requirements include giving the test in a manner that is accessible to disabled students and offering additional services such as a longer exam time for students with learning disabilities and Braille or large-print exams for visually impaired students. If your school can't give any of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

▼ *Counting previous test results.* A student who has taken an approved, independently-administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain documentation (usually through the previous school) that the test and its administration met federal requirements. A student no longer needs to take the ATB test within twelve months before the receipt of aid.

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for aid a student must make satisfactory academic progress, which you must check at least once per year. To be considered administratively capable, your school must establish and publish an SAP policy and apply it equally to all FSA programs and to all FSA recipients within identifiable categories of students (such as full or part time, graduate or undergraduate). The policy must be at least as strict as that used for students who do not receive aid. It may contain whatever standards your school finds acceptable, including those set by a state, accrediting agency, or some other organization, as long as those standards meet the minimum statutory and regulatory requirements. These requirements include both a qualitative measure of the student's progress, such as a cumulative grade point average, and a quantitative measure, such as a maximum time frame for completion. See the *School Eligibility and Operations* volume for more information on a school's SAP policy.

Approved Ability-to-Benefit Tests | Publishers

ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2
Passing Score: Reading (35), Writing (35), and Numerical (33)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading and Numerical)—Forms B and C
Passing Score: Language Usage (42), Reading (43), and Numerical (41)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Combined English Language Skills Assessment (CELSA): Forms 1 and 2.
Passing Score: CELSA Form 1 (90) and CELSA Form 2 (90)

Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, PMB 378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 569-0734, Fax: (805) 569-0004

COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement
Passing Score: Prealgebra/Numerical (25), Reading (62), and Writing (32)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)
Passing Score: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT
Passing Score: Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Test of Adult Basic Education (TABE): (Reading, Total Mathematics, Language)—Forms 7 and 8, Level A, Complete Battery and Survey Versions
Passing Score: Reading (559), Total Mathematics (562), Language (545)

CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Veronika Guerrero, Telephone: (831) 393-6416, Fax: (831) 393-7128

Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2
Passing Score: Verbal (200) and Quantitative (210)

Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. Victor S. Artese, Telephone: (800) 323-3742

Academic amnesty/renewal

Some schools have academic amnesty or renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student's grade point average. The FSA program regulations don't provide for such amnesty. In evaluating a student's satisfactory academic progress for financial aid purposes, a school must always include courses that apply (whenever taken) toward his program of study.

The school may consider the circumstances a student uses to support an academic amnesty request as mitigating circumstances in an SAP appeal.

Qualitative standards

The law specifies that by the end of the second academic year (regardless of how many credits the student has accrued), the student must have a C average or its equivalent or have an academic standing consistent with the requirement for graduation from the program. If your school does not use letter grades, it should define the equivalent of a C average.

Having an academic standing consistent with the graduation requirement could mean you use an escalating grade point standard instead of a fixed one. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation but allow their average to be lower earlier in their academic career. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

Quantitative standards

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress your school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program this cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by your school. For instance, if the published length of an academic program is 120 credit hours, the maximum time frame must not exceed 180 (120 x 1.5) attempted credit hours.

Transfer students, change of program, and other elements

A school's policy must explain how the following affect the SAP determination: withdrawals; grades of "incomplete"; repeated, transfer, and noncredit remedial courses; and appeals due to mitigating circumstances. When a student fails to make SAP, he can regain eligibility by meeting the criteria established in the school's satisfactory progress policy, but he cannot regain eligibility simply by being out of school for a set amount of time or by paying for a set number of classes himself.

Generally the quantitative and qualitative standards used to judge academic progress include all periods of the student's enrollment. Even periods in which the student did not receive FSA funds should be counted. However, a school may allow a student who switches degree programs to not count for SAP those grades earned and credits attempted in the old major, though minimally any courses that apply to the new program **must** be counted. Similarly, for transfer students a school must at least count those transfer credits

that apply toward the current program (though the school may count all credits from the previous school).

A school's policy can state that a student who has completed all the coursework for her degree or certificate but hasn't yet received the degree or certificate can't receive further aid for that program. This restriction can't simply be a limit on the number of hours completed (for instance, that the student isn't eligible once she has completed 120 semester hours for a program that requires 120 semester hours). The student must have actually completed the academic requirements for the degree or certificate she is pursuing. Of course, if she enrolls in another program (seeking a different degree or certificate), this restriction would no longer apply, although the student would still have to meet satisfactory progress standards.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive assistance from the Stafford and PLUS loan programs. The Pell and Campus-Based programs don't require half time enrollment, but the student's enrollment status does affect the amount of Pell a student receives (Volume 3 explains how enrollment status affects a student's Pell award).

To be enrolled half time, a student must be taking at least half of the course load of a full time student. Your school defines a full time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time used for FSA purposes (below) can differ from the definition used for other purposes at your school, such as the definition used by the registrar's office.

Your definition of a full time workload for a program must be used for all students enrolled in that program and must be the same definition for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing the student a full time enrollment status lower than the minimum standard.

▼ *Minimum standards for full time enrollment.* You may include any combination of courses, work, research, or special studies in your school's definition of workload. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;

Repeat/Delete

If a school has a written policy that allows only the highest or most recent grade to be counted or both credits and grades from previous attempts to be deleted, it may exclude a grade for a prior attempt when considering the qualitative SAP standard, but it must count the credits attempted when considering the quantitative SAP standard.

Full-time student definition

34 CFR 668.2

Half-time enrollment

HEA Sec. 428(b)(1)(A),
34 CFR 668.32(a)(2), 682.200

Example: mixed credits enrollment

Stanislaw is enrolled in a program at Lem Community College. In the first term, Stanislaw is taking six semester hours and three quarter hours and is also taking nine clock hours a week. To determine if Stanislaw is enrolled full time, Lem divides the amount of each type of hour by the minimum requirement for full time, and then adds the fractions:

$$6/12 + 3/12 + 9/24 = .5 + .25 + .375 = 1.125$$

Because the result is greater than one, Stanislaw is enrolled full time.

Counting noncredit or reduced-credit remedial work

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program.

34 CFR 668.20

Drug convictions

HEA Section 484(r)
34 CFR 668.40

- 24 clock hours per week for an educational program using clock hours;
- for a student who is taking a combination of courses offered using different types of hours, prorated percentages of the minimums for credit- and clock-hour measurements that total at least one (see margin example);
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks; or
- the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full time student.

You must decide if the work portion of a co-op program is equivalent to a full time academic workload. If it is equivalent, the co-op student is considered full time, regardless of how many credits your school grants for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time. See volume 3 for more on Pell and enrollment status and correspondence courses.

If a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are noncredit or remedial courses as described in the sidebar. This means you cannot award the student aid he would otherwise not receive for classes that do not count toward his degree or certificate.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you're not required to verify this unless you have conflicting information.

A conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period *
3+ offenses	Indefinite period *	

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an ***indefinite period** can regain it only after completing a rehabilitation program as described below or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to verify the reported information unless you have conflicting information.

If a student regains eligibility during the award year, it is treated like most other recoveries of eligibility: Pell and campus-based aid may be awarded for the payment period; Direct Loans and FFEL loans may be awarded for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he or she has completed a drug rehabilitation program, but you have reason to believe that the program does not meet these requirements, you must treat this as conflicting information and resolve the conflict before paying the student any FSA funds.

Drug abuse hold

The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The CPS maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 31; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 31. See the ISIR Guide for more information.

Incarcerated students

HEA Sec. 401(b)(8)
HEA Sec. 484(b)(5)
34 CFR 668.32(c)(2)

Conflicting information

34 CFR 668.16(f)

Gaining eligibility examples

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it admits him conditionally so he can start classes in the fall. Sarven receives Allen's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted and so can receive Pell and campus-based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Allen can receive a loan.

Chavo is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Sarven Technical Institute on January 11. The second payment period begins on May 17. Chavo isn't eligible for aid when he first starts classes at Sarven. However, when he becomes eligible after June 4, Sarven can disburse campus-based funds to Chavo retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Stafford loan for the current enrollment period, which does include the payment period that began in January.

INCARCERATED STUDENTS

A student is considered to be incarcerated if she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution. A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS and are also eligible for Pell grants if not incarcerated in a federal or state penal institution (see chapter 6 for more information).

You may accept the student's written self-certification that he is no longer incarcerated.

CONFLICTING INFORMATION

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application for federal student aid regardless of the source of that data. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

If your school has conflicting information for a student or you have any reason to believe his application information is incorrect, you **must** resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year. Refer to the *Application and Verification Guide* and the *School Eligibility and Operations* volume for more information.

CHANGE IN STATUS

In some cases, the student's eligibility status can change during the award year. These changes almost always affect whether the student can be paid. We'll discuss what happens when the student gains eligibility or loses eligibility, along with special rules for changes in satisfactory academic progress status.

Gaining eligibility

In general, when a student gains eligibility, she may receive aid for the entire payment period (for Pell and campus-based funds) or period of enrollment (for Stafford and PLUS loans) in which she became eligible.

The student is eligible for Pell and campus-based aid for the entire award year—not just the payment period—in which he becomes

eligible by meeting the requirements for citizenship, valid Social Security Number (SSN), or Selective Service registration.

Losing eligibility

Usually a student can't receive any disbursements after he loses eligibility. If you learn that a student is or will be ineligible, you must not disburse any aid to him on or after the date of ineligibility unless he qualifies for a late disbursement.

Eligibility and SAP

A student who loses FSA eligibility because she is not meeting your school's satisfactory academic progress standards will regain eligibility when you determine that she is again meeting the standards. She may also regain eligibility by successfully appealing a determination that she wasn't making satisfactory progress. You must document each case.

A student may be paid Pell and campus-based funds for the payment period in which he resumes satisfactory academic progress. For Stafford and PLUS loans, he regains eligibility for the entire period of enrollment (usually an academic year) in which he again meets SAP standards unless school policy provides for reinstatement of eligibility at a later point.

Losing eligibility example

George is a student at Guerrero University. After the start of the fall term, he defaults on a Stafford loan that he received at a prior school. Guerrero gave George his first Direct subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins Loan to him in October. Because George's loan went into default at the end of September, Guerrero can't disburse the Perkins loan for that term. George doesn't have to pay back immediately the first disbursement of his Direct subsidized loan, but he can't receive any more disbursements for that loan or for any other Title IV aid until he makes repayment arrangements to remove the default status.

Example: satisfactory academic progress appeal

Steven is attending Brust Conservatory, and at the end of his second year, Brust determines that he isn't making satisfactory progress. He files an appeal in the fall, after he realizes he won't receive aid for the fall term. Brust finally approves his appeal in January, after the fall term is over. Steven can't receive Pell or campus-based funds for the fall term but can receive aid for the winter term. Steven can also receive a Direct loan or FFEL for the entire academic year because that is his period of enrollment.

Eligibility Requirements for Specific Educational Programs

See *Volume 2: School Eligibility and Operations* for more information on each of the topics below.

Correspondence courses

A correspondence course is one for which the school provides instructional materials and exams for students who don't physically attend classes at the school. If the course uses video cassettes or discs, it is a correspondence course unless it provides the same video instruction to students who physically attend the school that year. A telecommunications course is considered a correspondence course if the sum of the telecommunications and correspondence courses offered by the school is 50 percent or more than the total number of courses. Finally, if a course is part correspondence and part residential training, it is considered a correspondence course.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate's, bachelor's, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see Chapter 7 for more information.

HEA Sec. 484(k), 34 CFR 600.2, 34 CFR 668.38

Telecommunications courses

A telecommunications course is one offered principally through television or audio or computer transmission. This includes open broadcast, closed circuit, cable, microwave, satellite, and audio or computer conferencing. It also includes courses delivered on video cassette or disc as long as the courses are also offered that year to students who physically attend the school. If a course does not qualify as a telecommunications course then it is considered a correspondence course.

A student can receive FSA funds for a telecommunications course if it is part of a program that leads to a certificate for a program of one year or longer, or to an associate's, bachelor's, or graduate degree.

HEA Sec. 484(l), 34 CFR 600.2, 34 CFR 668.38

Students studying abroad

A student in a study abroad program is eligible for aid if the program is approved for academic credit for the student's degree by the eligible home school at which the student is enrolled as a regular student. The home school must have a contractual agreement with the foreign school or a single written arrangement with a study abroad organization to represent an agreement between the home school and one or more foreign schools.

HEA Sec. 484(o), 34 CFR 668.39

A student has to be a citizen or eligible noncitizen to receive FSA. In this chapter we describe how the student's FAFSA information is matched with citizenship records. We also describe immigration documents that you may have to collect to make sure that the student meets this requirement.

ELIGIBLE CATEGORIES

A student must be a citizen or eligible noncitizen to receive aid from the FSA programs. The general requirement for eligible noncitizens is that they be in the U.S. for other than a temporary purpose with the intention of becoming a citizen or lawful permanent resident, as determined by the United States Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). The USCIS was briefly known as the Bureau of Citizenship and Immigration Services or BCIS, and before that it was the Immigration and Naturalization Service or INS. We will use DHS throughout this chapter, and we will also refer to USCIS since it is the actual agency that handles immigration matters and whose field offices you and your students might have to contact. The eligible statuses are:

- A U.S. citizen or national.
- A U.S. permanent resident.
- Citizens of the Freely Associated States: the Federated States of Micronesia and the republics of Palau and the Marshall Islands.
- Other eligible noncitizens.

The Department of Education performs matches against the application to verify the student's citizenship status. In addition, there are procedures that you must follow to confirm a noncitizen's status through the DHS and SSA if the CPS matches don't confirm that status.

Students who are eligible because they are citizens of certain Pacific Islands can only receive aid from some of the FSA programs (see "Citizens of the Freely Associated States" on p. 34). Students in the other categories may receive any federal student aid an eligible school in the United States offers. If they're attending foreign schools that participate in the FFEL Program, they may receive Stafford loans.

Citizenship issues:

- ➔ U.S. citizens matched with Social Security Administration (SSA) database
- ➔ U.S. permanent residents matched against DHS records
- ➔ If match fails after primary verification and automated secondary confirmation, the school must collect documentation and conduct manual secondary confirmation

Citizenship

HEA Sec. 484(a)(5),
34 CFR 668.32(d),
34 CFR 668.33,
and Subpart I of Part 668.

Documenting citizenship

34 CFR 668.33(c)

Data doesn't match example

Allen put in an incorrect number for his SSN when he completed his FAFSA. The number he used isn't in the SSA database. Therefore, his application fails both the SSN match and the SSA citizenship match. Allen will need to fix the problem before he can receive aid. Because the SSN is incorrect, Sarven Technical Institute asks Allen to complete a new FAFSA instead of making a correction (see Chapter 4 for more on fixing SSN problems).

If a parent wants to take out a PLUS loan for a dependent undergraduate student, both the parent and the student must be U.S. citizens or nationals, permanent residents, or eligible noncitizens.

U.S. CITIZEN OR NATIONAL

The term "U.S. citizen" includes citizens of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. All U.S. citizens are considered to be U.S. nationals. However, not all nationals are U.S. citizens: natives of American Samoa and Swain's Island are not U.S. citizens but are nationals and therefore may receive FSA funds.

Citizenship match with Social Security Administration (SSA)

All applications are automatically matched with social security records to verify name, date of birth, U.S. citizenship status, the social security number, and possible date of death (see chapter 4). The result of this match is reported under SSA of the match flags on the ISIR and "SSA Citizenship Code" on the SAR.

If the student leaves the citizenship question on the FAFSA blank, the CPS will still attempt the citizenship match with the SSA. If there is a complete match with the student's social security number, name, date of birth, and U.S. citizenship, the CPS will determine the student to be a citizen. The CPS will reject the application for insufficient information if one or more of the items are not provided.

Note that U.S. citizens born abroad might fail the citizenship check with the SSA unless they have updated their citizenship information with the SSA (see "Updating Status for Citizens Born Abroad").

▼ *Successful match.* The SAR and ISIR won't have a comment if the match is successful, but a match flag will indicate that the student's status was confirmed.

▼ *Data doesn't match.* If the student's SSN, name, or date of birth, doesn't match Social Security records, the citizenship status can't be confirmed. A comment to this effect will be printed on the output document. The student should make the necessary corrections to the SSN, name, or date of birth (see Chapter 4 for a discussion of SSN match problems). When the corrections are sent to the CPS, the CPS performs the match again, and you must check the new results to see if the match confirmed the student's citizenship status.

If you have resolved the SSN problems with the student, but still can't get the student's citizenship confirmed, the student can instead provide documentation of citizenship. See "Other Documentation" for a list of documentation that you may accept.

▼ *Citizenship not confirmed.* If the Social Security match doesn't confirm that the student is a citizen, the SAR and ISIR will include a comment explaining that the student either needs to provide

Citizenship Match with Social Security Administration

<i>Result</i>	<i>Match flag</i>	<i>"C" code or rejected application</i>	<i>Comment number and text</i>	<i>Action needed</i>
Match conducted. SSA confirmed citizenship status.	A or blank		No comment	No resolution required.
Match conducted. SSA did not confirm U.S. citizenship status.	B, C, D, E, F, or *	C code	146 The Social Security Administration did not confirm that you are a U.S. citizen. You need to provide your school with documentation of your citizenship status before you can receive federal student aid.	If the student is a U.S. citizen, he should provide supporting documents (see "Other documentation"). If he is an eligible noncitizen, he should correct item 14 and provide a valid A-Number. If he is then successfully matched with DHS as an eligible noncitizen, no further resolution is necessary.
Match conducted. SSA unable to verify citizenship because there was no match on SSN, name, or date of birth.	N		062 The Social Security Administration could not confirm your claim of citizenship because of questions about your social security number, name, or date of birth.	Make necessary corrections to SSN, name, or date of birth so record can be sent back for matching. Review later transactions for the updated match results. If the student believes the original information is correct, she should contact the SSA. The school may pay her if it receives documentation of her eligible citizenship status (see "Other documentation").

documents proving citizenship or make a correction to show that she is an eligible noncitizen.

If the student is a citizen, he must give you documentation of his citizenship status. If the student submits appropriate documents, you can disburse aid to the student. Unlike documentation for eligible noncitizens, you don't submit these documents to the DHS, or any other agency, for verification. You do need to keep a copy of the documents in the student's file. The student might also want to contact the Social Security Administration to have it update its database, but doesn't have to do this to receive aid. See "Other documentation" below for possible documentation.

If the student is an eligible noncitizen, she must submit a correction, which must include the Alien Registration Number or A-

Example: citizenship not confirmed

Chavo is a U.S. citizen, but SSA doesn't confirm his citizenship status. Sarven Technical Institute asks him to submit documentation of his status. Chavo first submits a Social Security card, but Sarven explains that the card doesn't document his status because noncitizens can have Social Security cards. Chavo then brings in his U.S. passport. Sarven makes a copy of the passport for its files, and tells Chavo his citizenship has been documented. Sarven also advises Chavo to have the SSA correct its database, so that he won't have this problem again.

Social Security card and driver's license

A Social Security card or driver's license isn't acceptable for documenting citizenship or national status, since noncitizens and nonnationals can also have these forms of identification.

Number. When the correction is sent in, the CPS will attempt a match with DHS records to confirm the student's status.

Other documentation

If a student must document his or her status as a citizen or national, you decide what documentation is acceptable. The Department doesn't specify the documentation that the student must provide, but the following are some examples of documents that you might choose to use:

- A copy of the student's birth certificate showing that she was born in the United States, which includes Puerto Rico (on or after Jan. 13, 1941), Guam, the U.S. Virgin Islands (on or after Jan. 17, 1917), American Samoa, Swain's Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S.
- A U.S. passport (current or expired), except limited passports, which are issued for periods of less than five years. In the case of nationals who are not citizens, the passport will be stamped "Noncitizen National."
- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a foreign service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.
- A Certificate of Citizenship (N-560 or N-561), issued by USCIS to individuals who derive U.S. citizenship through a parent.
- A Certificate of Naturalization (N-550 or N-570), issued by USCIS through a federal or state court, or through administrative naturalization after December 1990 to those who are individually naturalized.

Older versions of the Certificate of Citizenship and of the Certificate of Naturalization instruct the holder not to photocopy them. The USCIS has advised the Department that these documents may be photocopied if done for lawful purposes (such as documenting eligibility for FSA funds).

Updating status for citizens born abroad

Students who are born abroad to U.S. citizens are also U.S. citizens, and usually when they receive an SSN their status as citizens will be noted in the SSA's database. But rarely a student's citizenship might not be correct, and such a student (for example, one born on a military base abroad) will fail the citizenship match even if he has a social security number. He can contact the SSA to have its database corrected.

Such students can document citizenship by providing a "Consular Report of Birth Abroad" (Form FS-240, which is *proof* of U.S. citizenship) or a "Certification of Report of Birth" (Form DS-1350,

which is *evidence* of U.S. citizenship and equivalent to a birth certificate). If the birth of the student was registered with the American consulate or embassy in a foreign country before he turned 18, he can receive a copy of one of the above by sending a written, notarized request to the State Department at

Vital Records Section
Passport Services
1111 19th Street, NW, Suite 510
Washington, DC 20522-1705
202-955-0307

The student should provide his name given at birth, the date and location of birth, the parents' names, available passport information, a return address, and a daytime phone number. The signature and a copy of valid photo identification of the requester must be included. For form FS-240 the student also has to include the original form (to exchange it) or a signed, notarized affidavit that the original was destroyed or lost. The cost for the FS-240 is \$30; for the DS-1350 it's \$30 plus \$20 for each additional copy. This should be sent as a check or money order (no cash or foreign checks) payable to The Department of State. It will take four to eight weeks to receive the form.

If the student is over 18 and the birth wasn't registered, she can file a self-petition for a "Certificate of Citizenship" to any local USCIS office (Form N-600). Proof of the parents' U.S. citizenship at the time of the student's birth must be provided.

U.S. PERMANENT RESIDENTS AND OTHER ELIGIBLE NONCITIZENS

A lawful permanent resident (LPR) is a noncitizen who is legally permitted to live and work in the United States permanently. Other eligible noncitizens include:

- **Refugees.** This status is considered temporary, although refugees can apply for permanent residence;
- **Persons granted asylum.** Persons who have been granted asylum in the United States are given employment authorization for one year. At the end of that year, they are eligible to apply for permanent residence. Asylum status continues unless revoked by DHS or until permanent residence status is granted;
- **Conditional entrants.** These individuals are refugees who entered the United States under the seventh preference category of P.L. 89-236 or whose status was adjusted to lawful permanent-resident alien under that category. Note that the DHS stopped using this category on March 31, 1980;
- **Persons paroled into the U.S. for at least one year.** These individuals must also provide evidence (such as having filed a

valid permanent resident application) from the DHS that they are in the U.S. for other than a temporary purpose and intend to become a citizen or permanent resident;

- **Cuban-Haitian entrants.**

Some **noneligible statuses** are:

- **Family unity status.** Such individuals have been granted relief from deportation under the Family Unity Program. Previously they were eligible for FSA funds.
- **Temporary residents.** These individuals are allowed to live and work in the U.S. under the Legalization or Special Agricultural Worker program. Previously they were eligible for FSA funds.
- **Individuals with nonimmigrant visas.** This includes those with work visas, and students, visitors, and foreign government officials.

MATCH WITH DHS RECORDS

To verify the immigration status of U.S. permanent residents and other eligible noncitizens, the Department collects A-Numbers on the FAFSA. (The DHS assigns A-Numbers to all legal immigrants.) If the applicant indicates on the FAFSA that he is an eligible noncitizen and provides an A-Number, identifying information from the FAFSA is automatically sent to the DHS for “Primary Verification.”

The results of the match are shown by a match flag in the FAA information section of the output document, under the heading “DHS” on the ISIR or “DHS Match Flag” on the SAR. There will also be a comment about the results on the output document.

Because all applications are matched with SSA records, an application that is matched with DHS records will also be matched with citizenship information from the SSA. Results from the DHS match take precedence over any results from the SSA match, so the latter’s citizenship match flags won’t appear on the output document. You should follow the usual procedures for resolving any DHS match discrepancies.

If a student leaves the citizenship question blank but provides an A-Number, the CPS will assume the applicant is an eligible noncitizen and will attempt to match the A-Number with DHS records. If the student leaves both the citizenship question and A-Number blank, the CPS won’t match with DHS records and will reject the application. The student must submit a correction with the citizenship status and A-Number if he is an eligible noncitizen.

▼ *Successful match.* If the match confirms the student’s immigration status, then he can receive aid if the other eligibility criteria are also met. The SAR and ISIR with the successful match results are documentation of the student’s eligibility. Of course, if you have

other information about his status that seems to contradict the successful match result, you must resolve the conflict before paying the student (see “Conflicting Information” in chapter 1).

▼ *Not enough information.* If the student said she was an eligible noncitizen but provided either no A-Number or an illegible or invalid one, the match won’t be attempted. Instead, the student will receive a C code and a comment stating that there’s a question about the A-Number and directing her to provide the school with documentation of her eligibility. Compare the document with the SAR/ISIR; if appropriate, the student should correct the A-Number and resubmit it so that the match can be conducted.

Note that the same will apply to citizens of the Marshall Islands, the Federated States of Micronesia, and Palau because such students won’t have A-Numbers to report. However, these students aren’t required to provide proof of eligible noncitizen status.

▼ *Status not confirmed.* If the match was conducted but didn’t confirm the student’s status, the discrepancy must be resolved before you pay him. (First make sure that his alien registration number and date of birth are correct.) To confirm he is eligible for FSA funds, his record will have to pass through a subsequent process called secondary confirmation.

AUTOMATED SECONDARY CONFIRMATION

If the database match with immigration records doesn’t confirm a student’s claim to be an eligible noncitizen, the DHS will automatically check if it has documentation that determines the student’s citizenship. If this automated process confirms a student’s eligible noncitizen status, the process obviates the manual or paper secondary confirmation that uses the G-845S form.

Beginning with the 03-04 award year, the CPS will wait for up to three days to give the DHS time to conduct the automated secondary confirmation. If after three days the DHS has not been able to confirm the student’s citizenship status, the CPS will process SARs and ISIRs with a secondary confirmation match flag value of “P”, meaning that the procedure is still in progress. Once the DHS finishes the confirmation, the CPS will generate SARs and ISIRs reporting the results.

The school should wait at least five but no more than 15 business days for the result of automated secondary confirmation. If the result has not been received by that time, the school must begin the paper process.

A correction made while the DHS is conducting the automated secondary confirmation will start the process over, i.e., the correction will be sent through primary confirmation. Though unlikely, if the new primary confirmation match yields a “Y,” the transaction can be used to award aid. A correction made to a transaction that contains secondary confirmation results of “Y” or “C” (or a transaction with a primary

The A-Number on the FAFSA and the DHS verification number

When the CPS matches with DHS records, a 15-digit verification number is assigned to the student and printed in the “FAA Information” section of the SAR and ISIR. This number is needed for secondary confirmation with the DHS (see “Secondary Confirmation”) and is reported in box 6 of the G-845S form. **If the student does not provide an A-Number on the FAFSA, the match can’t be made and the student won’t receive a DHS verification number.** The student’s information should be re-submitted with the A-Number so that a computer match may be attempted because the school won’t be able to check the student’s status through the secondary process unless it has an DHS verification number.

DHS Primary Verification Match

<i>Result</i>	<i>Comment number and text</i>	<i>Action needed</i>
Match conducted. Applicant's non-citizen eligibility confirmed by DHS. Match flag Y	143 Your citizenship status has been confirmed by the Department of Homeland Security (DHS), and you meet the citizenship requirements for federal student aid.	None Do not initiate secondary confirmation unless you have conflicting information about the student's citizenship status.
Match not conducted. Student didn't provide alien registration number or provided invalid alien registration number. Match flag blank C Code	142 The Department of Homeland Security (DHS) could not confirm your statement that you are an eligible noncitizen because there is a question about your alien registration number. You must submit proof of your noncitizen eligibility to your school. If you fail to submit proof within 30 days, or longer if your school allows, you may not be eligible for federal student aid.	Resolution required. If the student gave an invalid alien registration number or didn't provide one, don't initiate secondary confirmation. Instead, help the student correct the SAR/ISIR and resubmit it. If the student has given adequate information, the record will be matched with the DHS again. Review the updated match flags on subsequent transactions.
Match conducted. DHS did not confirm applicant's non-citizen eligibility. Match flag N C Code	144 The Department of Homeland Security (DHS) has not yet confirmed your statement that you are an eligible noncitizen. DHS will continue to check their records and we will notify you when we have received more information from them.	Resolution required. See match flag for secondary confirmation. Based on applicant identifier and primary confirmation information, DHS will conduct secondary confirmation, the result of which will determine the next step.
Match not conducted. Applicant did not indicate citizenship status. Match flag blank Reject 17	068 You did not indicate on your application that you are a U.S. citizen or an eligible noncitizen. To be eligible to receive federal student aid, a student must be (1) A U.S. citizen (or U.S. national), or (2) An eligible noncitizen, such as a U.S. permanent resident or a resident of certain Pacific Islands, or as determined by the Department of Education.	Resolution required. If student failed to indicate citizenship, the citizenship match with SSA—but not DHS—was conducted. If SSA did not confirm the student's citizenship, he will receive a reject 17 and resolution will be required. If the SSA citizenship flag indicates the student is a U.S. citizen, the record will not be rejected and no resolution is required. But the student should correct question 14 to indicate he is a U.S. citizen or national. If the student is an eligible noncitizen, he should provide an A-number and the correct information on his citizenship status in question 14. His record will then be sent through the DHS match. The school should review the DHS match flag on the new output document.
Match not conducted. Applicant changed status from eligible noncitizen to citizen or changed A-number. Match flag blank C Code	141 You changed your response to citizenship or you changed the alien registration number verified with DHS. You must submit proof of your citizenship status to your financial aid administrator.	Resolution required. The school must determine why the student changed the citizenship status and must resolve any conflicting information. The student may need to submit proof of citizenship depending on the reason for the change.

confirmation result of “Y”) will not be sent through the DHS citizenship match again. Otherwise the record will be re-sent for matching.

PAPER SECONDARY CONFIRMATION

If the student didn’t pass automated secondary confirmation or if you have conflicting information about his immigration status, you must use paper secondary confirmation. The student has to give you documentation showing that he is an eligible noncitizen. If you determine that this documentation doesn’t provide reasonable evidence that he is an eligible noncitizen, he isn’t eligible for FSA funds. However, if the student provides documentation that appears to demonstrate that he is an eligible noncitizen, you must submit the documentation to the USCIS (in the DHS) to confirm it is valid.

Documents that establish aid eligibility

The standard documentation for a permanent resident of the United States is the Permanent Resident Card (Form I-551, since 1997) or Resident Alien Card (Form I-551, before 1997). Both forms are referred to colloquially as “green cards,” though they are not green. The DHS is replacing cards issued before 1979 with these new, counterfeit-resistant cards. The deadline established for permanent residents to replace their old cards was March 20, 1996. However, the older Alien Registration Receipt Card (Form I-151, issued prior to June 1978) remains acceptable as evidence of permanent residence for the purpose of receiving FSA funds.

Permanent residents may also present an Arrival/Departure Record (Form I-94) with one of the following endorsements:

- “Processed for I-551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _____. Employment Authorized.”
- “Temporary Form I-551. Admission for permanent residence at _____ [port] on _____ [date] verified. _____ [signature of issuing officer] _____ [title].” This I-94 will also contain the individual’s photo and an INS seal over the photo and the stamp.

The I-94 will have an A-Number annotated on it and is an acceptable document as long as the expiration date has not passed. A noncitizen’s passport will also have an A-Number annotated on it and may contain one of the endorsements above, but the passport alone isn’t sufficient documentation for receiving aid.

For other classes of eligible noncitizens, the most commonly presented evidence of their status is on the I-94, which will contain one of the following:

Automated secondary confirmation comment codes

“Y”: citizenship status confirmed. The student is eligible for aid.

“C”: in continuance. The DHS has not yet been able to confirm that the student is an eligible noncitizen. The school is encouraged but not required to wait ten business days for another ISIR with an updated match result. If there is no update, the school begins the paper (G-845S) secondary confirmation process.

“N”: citizenship not confirmed. The DHS did not confirm the student’s citizenship status as eligible. The school should begin paper secondary confirmation.

“X”: DHS needs more information. The school should begin paper secondary confirmation.

Status not confirmed example

On his original application Hector didn't give his A-Number and reported that he was a citizen. When the SSA didn't confirm this, Hector told the FAA at Guerrero University that he was a permanent resident. He made a correction, but the USCIS didn't confirm his status as an eligible noncitizen. He explained to the FAA that he had applied for permanent resident status but didn't have documentation yet. The FAA told him that when he had documentation that his application was approved, he should bring it to Guerrero so that it could be submitted to the USCIS for confirmation.

Conditions requiring secondary confirmation

34 CFR 668.133(a)

Use of copy of I-94

Note that a refugee or an asylee may apply for permanent-resident status. During the period in which the application is being reviewed, the student may have a copy of the I-94 that includes the endorsement "209a (or 209b) pending. Employment Authorized." Students with this form of documentation are eligible for FSA funds as long as the I-94 has not expired.

Documentation for Cuban-Haitian entrants

The I-94 for some Cuban-Haitian entrants who are applying for permanent residence may be stamped "applicant for permanent residence." (Or the student may instead be given a separate document acknowledging the receipt of his or her application for permanent residence.) Because the application for permanent residence is not sufficient to make a student eligible for FSA funds, a student who is a Cuban-Haitian entrant must request documentation of that status from the USCIS.

- *Refugees.* A stamp reading either "Admitted as a Refugee Pursuant to Section 207 of the Act. If you depart the United States you will need prior permission to return. Employment Authorized," or "Status changed to refugee pursuant to Section 207 (c) (2) of the Immigration Nationality Act, on _____. Employment Authorized." Refugees may also have a Refugee Travel Document (Form I-571), which can be used for documentation if it's unexpired.
- *Asylees.* A stamp reading "Asylum status granted pursuant to Section 208, USCIS. Valid to _____. Employment Authorized."
- *Conditional entrants.* A stamp indicating that the student has been admitted to the United States as a conditional entrant. Because the DHS stopped using this category after March 31, 1980, you should not disburse FSA funds if the student has an I-94 with conditional-entrant status granted after that date.
- *Parolees.* A stamp indicating that the student has been paroled into the United States for at least one year, with a date that has not expired. (Federal student aid cannot be disbursed after the document has expired.)
- *Cuban-Haitian entrants.* A stamp across the face of the I-94 indicating that the student has been classified as a "Cuban-Haitian Entrant (Status Pending). Reviewable January 15, 1981. Employment authorized until January 15, 1981." Note that a document showing that the holder is a Cuban-Haitian entrant is valid even if the expiration date has passed.

The stamps described above will be in a rust-colored ink and will normally contain a validation indicating the office of issuance and a code that indicates which officer prepared the document. Examples of codes are "WAS-82" (Washington District Office, Officer Number 82) or "1/13/84 SPO.KD" (Spokane Office, officer's initials KD).

You must keep in the student's file a copy of the immigration documentation the student submits, along with the secondary confirmation results received from the USCIS. Documentation provided as proof of the student's immigration status (such as the I-551 and I-94) may legally be photocopied by the student as long as the photocopies are made for this lawful purpose. The student must understand that he is permitted to photocopy a USCIS document **only** for lawful purposes such as applying for FSA funds. (Document photocopying is generally not permitted for other purposes.)

You must always examine and copy original documents. Sometimes the endorsement or stamp does not photocopy well due to the ink color on the original document. In this case you should hand copy the exact endorsement on the photocopy. Because the

endorsement can be placed anywhere on the I-94, the endorsement may be difficult to locate. Note that although the endorsement may appear on the student's passport, the endorsement **must also** be on the I-94. Because USCIS offices don't have uniform procedures or stamps, you should contact the local office with questions regarding acceptable immigration documentation.

Special circumstances

If the student has an I-551 with a baby picture, she should update the I-551 with the USCIS. Permanent residents are expected to get a new picture and be fingerprinted at the age of 14. However, you can submit the documents to USCIS and ultimately pay a student who has an I-551 with a baby picture as long as you can confirm that the I-551 belongs to the student. You can confirm this by comparing the I-551 to a current photo ID that has the student's name, date of birth, and signature. The current photo ID must also be consistent with any identifying information that you keep in the student's file.

A student who has an approved application for permanent residence on file with the USCIS and who is waiting for a permanent resident card may not have proof of her permanent resident status. She should contact her local USCIS office for the passport stamp or I-94 stamp described at the end of this chapter, as these are available to a student before the normal permanent resident documentation is issued. Note that an **application** for permanent resident status is not sufficient for determining eligibility for FSA funds.

The Marriage Fraud Amendments established a two-year conditional permanent resident status for certain alien spouses and their children. The alien spouse of a U.S. citizen or legal immigrant is given conditional permanent resident status if the marriage took place less than two years before the spouse applied for permanent resident status or citizenship. This status may also apply to any of the spouse's children who are aliens.

An alien who is granted conditional permanent resident status will be given a Form I-551. This form is the same I-551 that is issued to regular permanent residents, except that the card for a conditional permanent resident expires in two years, as opposed to ten years for the regular card. Once the two-year period expires, a conditional permanent resident must file a petition for removal of this restriction within 90 days after the end of that period. The USCIS will then review the petition. If the results of the review are satisfactory, the restriction will be dropped and new documents will be issued. Conditional permanent residents holding an I-551 with a valid expiration date are eligible to receive FSA funds until the expiration date.

If a person is applying to suspend deportation, she must request a hearing before an immigration law judge who will render an oral or written decision. If the decision is favorable, the USCIS will give the applicant a Form I-551, which will certify her lawful permanent

Jay Treaty

There is one unusual circumstance where you will need to collect documentation from the student without requiring secondary confirmation. The Jay Treaty of 1794 (as well as subsequent treaties and U.S. immigration law) gives Canadian-born Native Americans with "50% Indian blood" the legal right to live and work in the United States. Such individuals are not subject to the legal restrictions typically imposed on aliens by the DHS, are not required to obtain documentation from the DHS, and are considered "lawfully admitted for permanent residence."

Because few FSA applicants are eligible under the Jay Treaty, the FAFSA does not include a separate response for such students. Therefore, any student eligible for FSA funds through the Jay Treaty should report that he or she is an "eligible noncitizen" and fill in "A999999999" for the A-Number. The student will fail the match and a comment 144 will be printed on the output document. The school must obtain proof that the student has 50% Native American blood and was born in Canada. To do so, the student should provide one or more of the following documents:

- A "band card" issued by the Band Council of a Canadian Reserve, or by the Department of Indian Affairs in Ottawa.
- Birth or baptism records.
- An affidavit from a tribal official or other person knowledgeable about the applicant's or recipient's family history.
- Identification from a recognized Native American provincial or territorial organization.

If the student can provide one of the above forms of documentation, and is otherwise eligible, the school must document the file and can award FSA funds.

School policies on secondary confirmation

34 CFR 668.134

resident status. Therefore, there is no special category for persons who have been granted suspensions of deportation.

Documents showing ineligible statuses

If the document a student submits is for a noneligible status, you shouldn't submit the documentation for secondary confirmation. The USCIS can only confirm whether or not the documentation is genuine; it doesn't determine whether the student is eligible for FSA funds. Unless the student can submit documentation for an eligible status, as described above, the student can't receive aid.

An approved Form I-797, "Application for Voluntary Departure Under the Family Unity Program," indicates that the student has been granted relief from deportation under the Family Unity Program. Students with this status are no longer eligible for aid.

The Immigration Reform and Control Act of 1986 (IRCA) established a legalization program (also called the amnesty program) for certain illegal aliens. The alien might eventually be granted permanent resident status. Although these individuals were given documentation that allowed them to work while their application was being processed, they aren't eligible for aid until their application for permanent resident status is approved. Documents such as an individual might have in the interim are the Employment Authorization Card (Form I-688A), Employment Authorization Documents (Form I-688B or the I-766), or the Temporary Resident Card (Form I-688). None of these documents qualifies the student for FSA eligibility.

A student with a nonimmigrant visa isn't eligible for FSA funds unless he or she has a Form I-94 with one of the endorsements listed earlier. Nonimmigrant visas include the F-1, F-2 or M-1 Student Visa, B-1 or B-2 Visitor Visa, J-1 or J-2 Exchange Visitors Visa, H series or L series Visa (which allow temporary employment in the U.S.), or a G series Visa (pertaining to international organizations). Also, someone who has only a "Notice of Approval to Apply for Permanent Residence (I-171 or I-464)" cannot receive FSA funds.

Some students may present Forms I-94 stamped "Temporary Protected Status." This status is used for persons who are from countries that are in upheaval, but the status differs significantly from "Refugee" or "Asylee" because it provides no conversion to permanent resident status. A student with this status is **not** eligible for FSA funds.

Using the G-845S for secondary confirmation

To initiate paper secondary confirmation, you must complete a Form G-845S and send it to the USCIS field office for your area. The G-845S ("Document Verification Request") is a standard form that asks the File Control Office at the USCIS to confirm the noncitizen's immigration status.

To complete the G-845S, fill in each item on the top half of the form. You must enter the A-Number in box 1. **For box 6 you must provide the 15-digit DHS verification number that is printed on the**

SAR and ISIR. Secondary confirmation requests without this number will be returned unprocessed. “Education Grant/Loans/Work Study” must be marked in box 8, “Benefits.” You must state your name as the submitting official and your school’s name as the submitting agency.

Photocopies of the front and back sides of the student’s immigration document must be attached to the G-845S. Be sure to submit each pertinent visa and immigration document along with the form; the G-845S submitted by itself can’t be used to determine FSA eligibility. A student who has lost documents or surrendered these documents when entering prison is responsible for obtaining copies of these documents before the G-845S is submitted. (See “Replacing Lost USCIS Documents.”) You can request copies of immigration documents directly from penal institutions at the request of the student. You must send the completed G-845S and attachments to the File Control Office serving the prison’s locale no more than 10 business days after receiving the documentation from the student.

Noncitizens may also present other pertinent documents, such as marriage records or court orders, that indicate the identity or United States residency of the holder. Although these documents may not serve as adequate proof of immigration status, copies of these documents should also be submitted along with Form G-845S, as they may prove useful to the USCIS status verifier in the paper secondary confirmation process.

A status-verifier at the District USCIS Office will search the student’s record to confirm his immigration status. The status-verifier at the citizenship and immigration office completes the “INS Response” (the form still uses “INS” because it has not yet been updated) section of the G-845S and sends it back to your office, generally within 10 working days of receipt. We recommend that you document any mailings to the USCIS and call that office, if you haven’t heard back, to make sure that the G-845S was received. If you don’t receive a response from the USCIS within 15 working days (10 working days plus 5 days’ mail time) of the date you sent the G-845S, you should review the file and use your best judgment to determine whether the student meets the eligible noncitizen requirements based on the documentation the student provided and the information in this chapter. If you believe that the student meets the requirements, you can make any disbursement for which the student is otherwise eligible; however, you must note in the student’s file that USCIS exceeded the time allotment and that noncitizen eligibility was determined without their verification.

When secondary confirmation results in an eligible status, you must keep the G-845S. If the confirmation process indicates a discrepancy, you must ask the student to correct the discrepancy with the USCIS. No certification of loans or further disbursement of funds can be made until the discrepancy is corrected. If the discrepancy isn’t reconciled, the student must repay all aid except wages earned under FWS. Whenever the student is able to provide new information, it must be submitted to the USCIS on a new G-845S.

Contacting the USCIS/DHS

Send the G845-S to the USCIS field office that serves your area. This will be either a district office or a sub office. You can get the address by calling the USCIS at 1-800-375-5283 or by visiting their website at <http://uscis.gov> and looking under field offices.

Procedure requirements

34 CFR 668.135

Determining eligibility if USCIS response is late

34 CFR 668.136(b)

As long as you have followed the procedures outlined here, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, your school isn't liable for aid disbursed prior to secondary confirmation. (This, of course, assumes that you had no other conflicting information prior to making the disbursement and had reviewed the available documentation and concluded that the student was otherwise eligible.)

Interpreting the USCIS response

The status verifier will mark one or more of the checkboxes on the G-845S. The following list explains for each checkbox whether checking the box means the student is eligible. In reviewing the completed G-845S, bear in mind that it reflects the student's most recent status with the USCIS and may show a different status than the documentation presented by the student. In this case, you should verify that both documents identify the same person. If so, the status on the G-845S should be used since that status is the most current.

- 1. This document appears valid and relates to a Lawful Permanent Resident alien of the United States.** Block #1 is checked when the documentation submitted is determined to be a valid I-551, I-151, or I-94, or a passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence." A student with this status is eligible for FSA aid.
- 2. This document appears valid and relates to a Conditional Resident alien of the United States.** This is checked when the documentation submitted is determined to be a valid I-551, or I-94 or a passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence." A student with this status is eligible for FSA aid.
- 3. This document appears valid and relates to an alien authorized employment as indicated below.** This is checked to indicate whether the authorization covers full-time or part-time employment and when, if applicable, the period of employment will expire. "Indefinite" will be indicated if there is no specific expiration date for employment eligibility. Employment authorization by itself doesn't mean that the student is eligible for FSA funds. Unless some other eligible status is also checked, or the student can provide other documentation that can be confirmed by the USCIS, the student isn't eligible for FSA aid.
- 4. This document appears valid and relates to an alien who has an application pending for...** This is checked when an alien is waiting for a new immigration status or a change of immigration status. If a change of status is pending, the appropriate block indicating the current status will also be checked elsewhere on the G-845S. A pending application

Section A - to be completed by the submitting agency.

To: Immigration and Naturalization Service

6. Verification Number

7. Photocopy of Document Attached.
(If printed on both sides, attach a copy of the front and of the back.)
- Other Information Attached *(Specify documents).*

From: Typed or Stamped Name and Address of Submitting Agency

8. <i>(Benefit)</i>	<i>(Your Case Number)</i>
<input type="checkbox"/> AFDC	
<input type="checkbox"/> Education Grant/Loans/Workstudy	
<input type="checkbox"/> Food Stamp	
<input type="checkbox"/> Housing Assistance	
<input type="checkbox"/> Medicaid/Medical Assistance	
<input type="checkbox"/> Unemployment Insurance	
<input type="checkbox"/> Employment Authorization	
<input type="checkbox"/> Other <i>(specify)</i>	

Attn: Status Verifier

(INS may use above address with a #20 window envelope.)

1. Alien Registration or I-94 Number

9. Name of Submitting Official

2. Applicant's Name *(Last, First, Middle)*

10. Title of Submitting Official

3. Nationality

11. Date

4. Date of Birth *(Month/Day/Year)*

12. Telephone Number

5. Social Security Number

Section B - to be completed by INS

INS RESPONSE: From the documents or information submitted and/or a review of our records we find that:

- | | |
|---|--|
| <p>1. <input type="checkbox"/> This document appears valid and relates to a Lawful Permanent Resident alien of the United States.</p> <p>2. <input type="checkbox"/> This document appears valid and relates to a Conditional Resident alien of the United States.</p> <p>3. <input type="checkbox"/> This document appears valid and relates to an alien authorized employment as indicated below:</p> <p style="margin-left: 20px;">a. <input type="checkbox"/> Full-Time</p> <p style="margin-left: 20px;">b. <input type="checkbox"/> Part-Time</p> <p style="margin-left: 20px;">c. <input type="checkbox"/> No Expiration (Indefinite)</p> <p style="margin-left: 20px;">d. <input type="checkbox"/> Expires on
<i>(specify Month/Day/Year, below)</i></p> <p>4. <input type="checkbox"/> This document appears valid and relates to an alien who has an application pending for
<i>(specify INS benefit below)</i></p> <p>5. <input type="checkbox"/> This document relates to an alien having been granted asylum/refugee status in the United States.</p> <p>6. <input type="checkbox"/> This document appears valid and relates to an alien paroled into the United States pursuant to Section 212 of the I&N Act.</p> <p>7. <input type="checkbox"/> This document appears valid and relates to an alien who is a Cuban/Haitian entrant.</p> | <p>8. <input type="checkbox"/> This document appears valid and relates to an alien who is a conditional entrant.</p> <p>9. <input type="checkbox"/> This document appears valid and relates to an alien who is a nonimmigrant
<i>(specify type or class below)</i></p> <p>10. <input type="checkbox"/> This document appears valid and relates to an alien not authorized employment in the United States.</p> <p>11. <input type="checkbox"/> Continue to process as legal alien. INS is searching indices for further information.</p> <p>12. <input type="checkbox"/> This document is not valid because it appears to be <i>(check all that apply)</i></p> <p style="margin-left: 20px;">a. <input type="checkbox"/> Expired</p> <p style="margin-left: 20px;">b. <input type="checkbox"/> Altered</p> <p style="margin-left: 20px;">c. <input type="checkbox"/> Counterfeit</p> |
|---|--|

INS Stamp

Comments

- 13. No determination can be made from the information submitted. Please obtain a copy of the **original** alien registration documentation and resubmit.
- 14. No determination can be made without seeing **both** sides of the document submitted (*please resubmit request*).
- 15. Copy of document is not readable (*please resubmit request*).

“PRUCOL”

For Purposes Of Determining If Alien Is Permanently Residing Under Color Of Law Only!

- 16. INS actively pursues the expulsion of an alien in this class/category.
- 17. INS **is not** actively pursuing the expulsion of an alien in this class/category, at this time.

- 18. Other

Instructions

- **Submit copies of both *front and back* of alien’s original documentation.**
- **Make certain a *complete return address* has been entered in the “From” portion of the form.**
- The Alien Registration Number (“A” Number) is the letter “A” followed by a series of (7) or (8) digits. Also in this block may be recorded the number found on Form I-94. (Check the front and back of the I-94 document and if the “A” Number appears, record that number when requesting information instead of the longer admission number as the “A” Number refers to the most integral record available.)
- If Form G-845 is submitted without copies of applicant’s original documentation, it will be returned to the submitting agency without any action taken.
- Address this verification request to the local office of the Immigration and Naturalization Service.

for an immigration status doesn't (by itself) make the student eligible for FSA funds. To be eligible, the student must have an eligible status checked on the form, or provide other documentation of an eligible status.

5. **This document relates to an alien having been granted asylum/refugee status in the United States:** This is checked when an alien has been granted asylum or refugee status in the United States. Documentation presented may include either Form I-94 stamped with "Section 207-Refugee" or "Section 208-Asylee" or a Refugee Travel Document (Form I-571). A student with this status is eligible for aid.
6. **This document appears valid and relates to an alien paroled into the United States pursuant to Section 212 of the I&N Act:** This is checked for parolees, of which there are a few eligible classes. Documentation presented may include Form I-94 stamped with "Section 212(d)(5) - Parolee." The student is eligible for aid if paroled into the U.S. for at least one year and if he has evidence from the DHS (such as having filed a valid permanent resident application) that he is in the U.S. for other than a temporary purpose and intends to become a citizen or permanent resident.
7. **This document appears valid and relates to an alien who is a Cuban-Haitian entrant:** This is checked for Cubans who entered the United States illegally between April 15, 1980 and October 10, 1980 and Haitians who entered the country illegally before January 1, 1981. A student with this status is eligible for FSA aid.
8. **This document appears valid and relates to an alien who is a conditional entrant:** This is checked for conditional entrants under the old provisions of P.L. 89-236. Documentation presented may include Form I-94 stamped with "Section 203(a)(7)." Noncitizens who fall into this category had to have entered the United States prior to the enactment of the Refugee Act of 1980. A student with this status is eligible for aid.
9. **This document appears valid and relates to an alien who is a nonimmigrant.** This is checked to indicate an alien who is temporarily in the United States for a specific purpose. This category includes students, visitors, and foreign government officials. Documentation presented may include the Form I-94. Students with this status aren't eligible for aid.
10. **This document appears valid and relates to an alien not authorized employment in the United States:** This block is checked when an alien's status prohibits employment in the United States. Students with this status aren't eligible for aid.

11. **Continue to process as legal alien. INS is searching indices for further information.** This block is checked if the USCIS is withholding judgment, pending further investigation on the status or validity of documentation. This statement doesn't imply that the applicant is an illegal alien or the holder of fraudulent documentation. Benefits shouldn't be denied on the basis of this statement.

The student's documentation should be accepted at face value until the USCIS sends final notification regarding immigration status. If the student appears to be an eligible noncitizen based upon your review of the documents, you may pay the student any FSA funds for which she is eligible. If the USCIS later notifies you that the student's documentation isn't valid, you must cancel further disbursements, but your school isn't liable for the payments already made—the student is.

12. **This document is not valid because it appears to be...** This is checked when the document has expired or when it appears to be counterfeit or altered (there are checkboxes to indicate which of these applies). Notify the student that unless corrective action is taken with the USCIS, the case will be submitted to the Office of Inspector General (OIG). Until this discrepancy is resolved, no further aid may be disbursed, awarded, or certified. If the student does not take corrective action in a timely manner, you must report the case to the OIG. Note, however, that students whose LPR card has expired are still lawful permanent residents, and if there are no other problems, they should not be reported to the OIG, but they should update their card.

Citizenship and Immigration Services will initial and stamp the front of the G-845S in the signature block.

The comments block on the back of the G-845S provides further instructions. The intended meaning of each of the following blocks that may be checked follows:

13. **No determination can be made from the information submitted.** Please obtain a copy of the original alien registration documentation and resubmit. This is normally checked when you haven't provided copies of any of the USCIS documents. You should resubmit the G-845S with copies of the original alien documentation.
14. **No determination can be made without seeing both sides of the document submitted.** Resubmit the G-845S with copies of both sides of each document.
15. **Copy of document is not readable.** Resubmit the G-845S with higher quality copies of the original alien documentation.

The comments listed under “Permanently Residing Under Color of Law” (PRUCOL) reflect information about aliens who have applied for special treatment (for example, by virtue of having life-threatening medical situations) that may cause the DHS to refrain from seeking their expulsion. These blocks will be checked only if a request for evaluation for PRUCOL is made in Block 8 on the first page of the G-845S. Comments will rarely be made in this section because you wouldn’t have asked for a PRUCOL evaluation when submitting the G-845S. However, in all cases, the USCIS should check other responses on the form as well, and these other responses should be used to determine the student’s status.

Student rights

You must allow the student at least 30 days from the time you receive the output document to provide documentation of his immigration status. During this period and until the results of the secondary confirmation are received, you can’t deny, reduce, or terminate aid to him. If the documentation supports the student’s status as an eligible noncitizen, and if at least 15 business days pass since the date on which the documentation was submitted to the USCIS, you can disburse aid to an otherwise eligible student pending the USCIS response.

Your school isn’t liable if you erroneously conclude that a student is an eligible noncitizen, provided that you had no conflicting data on file and you relied on:

- an output document indicating that the student meets the requirements for federal student aid,
- a USCIS determination of an eligible immigration status in response to a request for secondary confirmation, or
- immigration status documents submitted by the student, if the USCIS did not respond in a timely fashion.

The student (or parent for PLUS borrowers) is liable for any FSA funds received if he is ineligible. If you made your decision without having one of these types of documents, your school is held responsible for repaying FSA funds to the Department.

Your school should establish procedures to ensure due process for the student if FSA funds are disbursed but the aid office later determines (using secondary confirmation) that the student isn’t an eligible noncitizen. The student must be notified of his ineligibility and given an opportunity to contest the decision by submitting to your school any additional documents that support his claim to be an eligible noncitizen. If the documents appear to support the student’s claim, you should submit them to USCIS using paper secondary confirmation. You must notify the student of your office’s final decision, based on the secondary confirmation results.

Procedures when ineligibility is determined after disbursement

34 CFR 668.136(c)

Lack of response example

Mikko is a refugee, and received aid from Guerrero University for the 2003-2004 school year. His status wasn't confirmed through the DHS match, so Guerrero had to perform secondary confirmation. The DHS didn't respond in time, so Guerrero paid Mikko without any response. When Mikko applies for 2004-2005, the CPS still doesn't confirm his status. Even though Guerrero began secondary confirmation for Mikko last year and his documents haven't expired, because the school never received a DHS response, it must perform secondary confirmation again.

Losing FSEOG and FWS

The Compact of Free Association Amendments Act of 2003, or the Compact Act, eliminates eligibility for citizens of the Republic of the Marshall Islands and the Federated States of Micronesia for FSEOG and FWS money. (The citizens of Palau are subject to a different compact and remain eligible.) To mitigate this loss, the Compact Act also sets up a Supplemental Education Grant (SEG) program for relevant students. These new grants will first be awarded in the 2005 fiscal year. Students who are citizens of the above states will continue to be eligible for FWS and FSEOG for up to four academic years after December 17, 2003, provided they were attending an institution of higher education on that date. If they were not in such attendance, they are not eligible for FWS and FSEOG.

For every student required to undergo secondary confirmation, you must furnish written instructions providing

- an explanation of the documentation the student must submit as evidence of eligible noncitizen status. (The "Summary Chart of Acceptable Documentation" describes acceptable documentation),
- your school's deadline for submitting documentation (which must be at least 30 days from the date your office receives the results of the primary confirmation),
- notification that if the student misses the deadline, he may not receive FSA funds for the award period or period of enrollment, and
- a statement that you won't decide the student's eligibility until he has a chance to submit immigration status documents.

CITIZENS OF THE FREELY ASSOCIATED STATES

Students who are citizens of the Freely Associated States (Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia) are eligible for Pell grants, FWS, and FSEOG but are not eligible for FSA loans; see also the margin note. Citizens of the Freely Associated States should indicate on the FAFSA that they are eligible noncitizens and leave the item about the A-Number blank. (If the student doesn't have an SSN, he can leave that item blank as well.) Because the student isn't giving an A-Number, his application won't go through the DHS match. As long as the student's file contains consistent information on his citizenship, you aren't required to collect documentation.

Citizens of the Freely Associated States who file through EDEXpress may indicate that they are eligible noncitizens, after which their state of legal residence will be confirmed. If they are determined to be residents of the Freely Associated States, they won't be required to provide an A-Number, and EDEXpress won't reject their applications.

DOCUMENTING IMMIGRATION STATUS IN LATER AWARD YEARS

There are several cases in which you must document a student's immigration status in a subsequent award year if that student again is not confirmed through the application process.

For example, a student who presented a Temporary Form I-551 in a prior award year should have received a permanent I-551 by the next year and shouldn't still have a temporary card. You should refer the student to USCIS to obtain a permanent I-551 or an updated endorsement on the previous card. The documents should also be submitted to USCIS on a G-845S.

You must also document the eligible noncitizen status each award year for a conditional permanent resident, a refugee, a Cuban-Haitian entrant, or a person granted asylum. Students in any of these categories may have been redesignated to permanent-resident status or may have had their statuses revoked. You will have to send the documents for secondary confirmation if the student's status isn't confirmed through the USCIS match.

You don't have to document a student's eligible noncitizen status in subsequent award years if you've documented that the student is a U.S. citizen or national, is a citizen of the Freely Associated States, or has a Form I-551 or I-151.

In addition, you aren't required to perform secondary confirmation if for a previous award year it showed that the student was an eligible noncitizen and the documents used for that secondary confirmation haven't expired. You must also have no conflicting information or reason to doubt the student's claim of having eligible noncitizen status. Also note that you must have **confirmed the status** in a previous award year. (Although you can disburse aid without the USCIS response if the USCIS doesn't respond in time, you can't count that lack of response as confirmation for the following year.)

REPLACING LOST DHS DOCUMENTS

If a student can't locate his official USCIS documentation, the student must request that the documents be replaced because noncitizens who are 18 years and older must have immigration documentation in their possession at all times while in the United States. Requests for replacement documents should be made to the USCIS District Office that issued the original documents.

The student will be asked to complete a Form I-90, "Application to Replace Alien Registration Card" or a Form I-102, "Application for Replacement/Initial Nonimmigrant Arrival-Departure Document." PDF versions of these forms can be downloaded from the USCIS web site at www.immigration.gov. A temporary I-94 may be issued while the replacement documents are pending.

In cases of undue hardship, where the student urgently needs documentation of his or her status, the Freedom of Information Act (FOIA) allows the student to obtain photocopies of the documents from the USCIS District Office that issued the original documents. The student can submit a Form G-639 to make this request or can simply send a letter to the district office. If the student is not sure which district office issued the original documents, he can submit the request to the FOIA office in Washington, DC at

United States Citizenship and Immigration Services
Freedom of Information Act Office
ULLICO Bldg. 2nd Floor
425 I Street, N.W.
Washington, D.C. 20536

Citizens of the Freely Associated States

The Compact of Free Association (P.L. 99-239) created three political entities from the former Trust Territory of the Pacific Islands. Two of these entities, the Marshall Islands and the Federated States of Micronesia, voted in 1986 to end political ties with the United States. The third entity, Palau, voted to ratify the compact in 1994; its independence was effective October 1, 1994. These three entities are the Freely Associated States. 34 CFR 600.2

Exclusion from subsequent secondary confirmation

34 CFR 668.133(b)

Summary Chart of Acceptable Documentation

As an alternative for a student who is having trouble obtaining replacement USCIS documents, the student may use a G-639 to request photocopies of the original documentation.

Citizen Not Born in United States

Certificate of Citizenship	Must have student's name, certificate number, and the date the certificate was issued.
Certificate of Naturalization	Must have student's name, certificate number, Alien Registration Number, name of the court (and date) where naturalization occurred.
"Certification of Birth Abroad" Form FS-545, DS-1350, or FS-240, "Report of Birth Abroad"	Must have embossed seal "United States of America" and "State Department."
U.S. Passport	

Noncitizen National

U.S. Passport	Must be stamped "Noncitizen National."
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Permanent Resident

"Permanent Resident Card" Form I-551, or the "Alien Registration Receipt Card" Form I-151	
Foreign passport	Must be stamped "Processed for I-551" with expiration date.
I-94	Must be stamped "Processed for I-551" with expiration date, or "Temporary Form I-551," with appropriate information filled in.

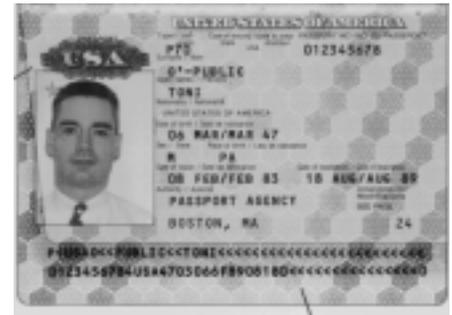
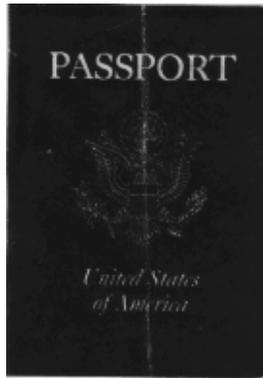
Other Eligible Citizen

"Arrival-Departure Record" Form I-94	Must be stamped as a Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, Cuban-Haitian Entrant.
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CITIZEN NOT BORN IN U.S./NONCITIZEN NATIONAL

U.S. Passport
 Can be used to document citizenship for citizen born abroad.

For a noncitizen national, must be stamped "Noncitizen National" (Note that a passport issued by another country may be used to document permanent resident status if it has the endorsement "Processed for I-551" and has a currently valid expiration date.)

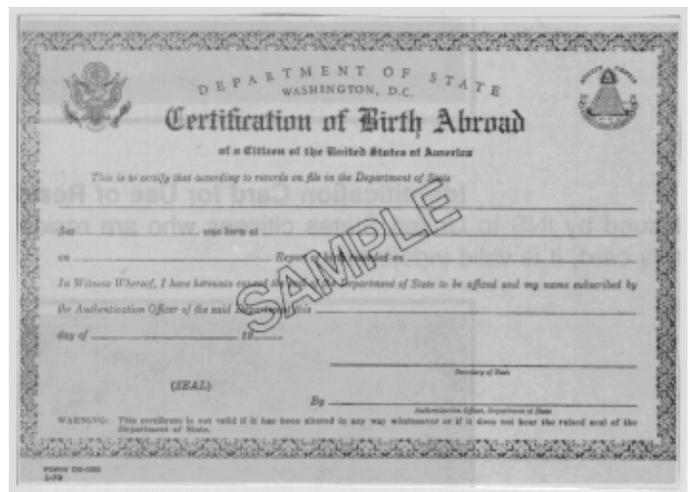


Certificate of Citizenship

The Certificate of Citizenship is issued to persons who were born abroad of U.S. parent(s), who became citizens when their parents were naturalized, or who were adopted by U.S. parents.

Certification of Birth Abroad

Issued to U.S. citizens born abroad. Must have embossed seal of the State Department.



Certificate of Naturalization

The Certificate of Naturalization is issued to naturalized U.S. citizens.



A revised version of the Certificate of Naturalization is issued to citizens who filed for naturalization after October 1, 1991.



PERMANENT RESIDENT/OTHER ELIGIBLE NONCITIZEN

I-94 Arrival-Departure Record

For permanent resident status, must be stamped "Processed for I-551" with expiration date or "Temporary Form I-551" with appropriate information filled in.

For other eligible noncitizens, must be stamped as Refugee, Asylum Status, Conditional Entrant (before April 1, 1980), Parolee, or Cuban-Haitian Entrant.

Departure Number: 742831632 01

U.S. IMMIGRATION AND NATURALIZATION SERVICE
333 WAS 177

SEP 13 1991

ADMITTED B-2 UNTIL MARCH 16, 1992

14 Family Name: DOE
15 First (Given) Name: JOHN
17 Country of Citizenship: ENGLAND

16 Birth Date (DD-MO-YR): 01/01/91

See Other Side STAPLE HERE

Warning - A nonimmigrant who accepts unauthorized employment is subject to deportation.

Important - Remain this permit in your possession; you must surrender it when you leave the U.S. Failure to do so may delay your entry into the U.S. in the future. You are authorized to stay in the U.S. only until the date written on this form. To remain past this date, without permission from immigration authorities, is a violation of the law.

Surrender this permit when you leave the U.S.:

- By sea or air, to the transportation line;
- Across the Canadian border, to a Canadian Official;
- Across the Mexican border, to a U.S. Official.

Students planning to reenter the U.S. within 30 days to return to the same school, see "Arrival-Departure" on page 2 of Form I-20 prior to surrendering this permit.

Record of Changes

Port: _____ Departure Record

Date: _____

Carrier: _____

Flight #/Ship Name: _____

For sale by the Superintendent of Documents, U.S. Government Printing Office Washington, D.C. 20402

NSLDS Financial Aid History

Students who've previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can re-view a student's financial aid history by using the National Student Loan Data System (NSLDS, online at www.nsldsfa.gov; for questions call 1-800-999-8219). NSLDS will also help you track changes to the student's financial aid history through the postscreening and transfer student monitoring processes.

A person generally isn't eligible for FSA funds if he is in default on an FSA loan or he owes an overpayment on an FSA grant or loan and he has not made a repayment arrangement for the default or overpayment. Also, for a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment on an FSA loan or grant (though a parent in default on a PLUS loan does not make a student ineligible for aid). Exceptions to these general rules are noted in the discussion below.

Any student applying for FSA funds must certify that he isn't in default on any FSA loan and doesn't owe an overpayment on any FSA grant, or that he has made satisfactory arrangements to repay the overpayment or default. This certification statement is printed on the *Free Application for Federal Student Aid (FAFSA)*.

A student is also ineligible if she has exceeded annual or aggregate loan limits. A student who inadvertently exceeded the limits can regain eligibility if she repays the extra amount borrowed or makes arrangements to repay (see the loan limits citations in the margin).

Finally, a student is ineligible if his property is subject to a judgment lien for a debt owed to the United States, and a parent can't receive a PLUS loan if either the student or parent is subject to such a lien. For example, if the Internal Revenue Service (IRS) had placed a lien on a student's property for failure to pay a federal tax debt or make satisfactory arrangements for repayment, the student would be ineligible for FSA funds.

When the FAFSA is processed, the CPS matches the student against the National Student Loan Data System (NSLDS) to see if the student is in default or owes an overpayment. NSLDS will also indicate whether a student has exceeded the loan limits. The CPS doesn't perform any matches to determine whether or not the student is subject to a judgment lien for a federal debt, and you aren't required to check for such liens. However, if you know that the student is subject to such a lien, you can't pay him FSA funds.

FSA loans

- ➔ FFEL and Direct Stafford Loans, subsidized and unsubsidized
- ➔ FFEL and Direct PLUS loans
- ➔ FFEL and Direct consolidation loans
- ➔ Federal Perkins Loans (including National Direct Student Loans and National Defense Student Loans)
- ➔ Loans formerly known as Guaranteed Student Loans, Income Contingent Loans (ICL), SLS, and FISL

Federal default and debt

HEA Sec. 484(a)(3), 484(f),
34 CFR 668.32(g), 668.35

Financial aid history

34 CFR 668.19
Dear Colleague Letter GEN-96-13;
Federal Register notice
September 16, 1996

Loan limits and eligibility

See Volume 6 for Perkins Loan limits;
Volume 3 for Stafford Loan limits
HEA Sec. 484(f),
34 CFR 668.32(g)(2), 668.35(d)

Judgment lien example

When Charlotte provides her parents' tax return to the aid administrator at Brandt College, he notices that they've reported business income, but didn't report a business asset on the FAFSA. Charlotte explains that they didn't report the business as an asset because there's a lien against the business for a federal loan. The aid administrator tells her that the asset must still be reported, and also that her parents won't be able to borrow a PLUS Loan as long as they are subject to the lien.

NSLDS MATCH

To help you identify students with problems such as defaulted loans or overpayments, the CPS matches the student's FAFSA information with the student's financial aid history in the NSLDS database. You must resolve any conflicts between the NSLDS information and any other information you have about the student before disbursing FSA funds. For example, if the NSLDS shows that a student isn't in default but you have documentation showing that the student is in default, you must resolve this conflict before disbursing federal student aid.

The results of the NSLDS match are provided on the SAR and ISIR on the NSLDS Financial Aid History page. As is the case for other matches, a "C" next to the student's EFC indicates problems that must be resolved.

Successful match

The SAR and ISIR will contain the NSLDS financial aid history only if the student's identifying information matches the database and there is relevant information for the student in the database. If the student has no defaults or overpayments or has made satisfactory repayment arrangements on a defaulted loan, the NSLDS match flag will be 1 and no C code will appear on the output document. A match flag of 2, 3, or 4 indicates that the student has defaulted loans or owes an overpayment or both. You will need to document that the problem has been resolved before disbursing aid, as already noted.

Note that for "real-time" processing—if a student uses Corrections on the Web or an FAA uses FAA Access to CPS Online—the CPS does not match against the NSLDS database, but the output document will show NSLDS data from the last transaction that did match against NSLDS.

No data from match

There are several reasons why an output document may not have financial aid history information: for example, if the application was rejected for lack of a signature or if identifying information was missing. For other cases, you can check the NSLDS flags reported in the "FAA Information" section.

▼ *Partial match.* If the student's SSN is in the NSLDS database, but the first name and date of birth don't match what the student reported, then no financial aid history will be reported, and the output document will have a C code. It will also have a comment explaining that the financial aid history isn't provided because the name and date of birth do not match and directing the student to work with the school to resolve any discrepancies. A partial match **requires resolution**; otherwise you won't have information from the Department on defaults and overpayments.

If the student originally reported incorrect identifying information, you can have her submit correct information, which will be sent through the match again.

You can also access NSLDS online and use the reported SSN to determine if the record belongs to the student by considering whether other information you have about the student is consistent with the NSLDS data. For example, if the name reported on the application is a nickname and the name in NSLDS is the actual name, you may assume that the record is the student's and use the NSLDS data to confirm the student's eligibility. Or if you know that the student attended a particular school in a particular award year, and NSLDS shows aid received at that school in that year, you may assume that the record belongs to the student. If you discover the discrepancy is due to the student misreporting the name or date of birth on the FAFSA, you should have the student make a correction. However, you may use the NSLDS record to determine the student's eligibility; you don't need to wait for the corrected data to be reported.

If you find that the financial aid history associated with the student's SSN doesn't belong to the student, you should assume that the student has no relevant financial aid information. You (or the student) may also contact NSLDS or the agency that reported someone else's data using the student's SSN, but you aren't required to do so. See Dear Colleague Letter GEN-96-13 for further discussion.

▼ *Student not in database.* If a match with NSLDS is completed but there's no information on the student in the database, then no financial aid history can be provided. The output document will have a comment explaining that the student's SSN is not associated with any financial aid history. You can thus assume that she has no financial aid history unless you have conflicting information. If a loan history should exist, help the student by contacting the lender (for FFEL) or the Direct Loan Servicing Center.

▼ *No relevant history.* If a student's SSN matches a record in the NSLDS database but there's no relevant financial aid history information to report, then no information will be on the output document. For example, no data would be reported if the only information for a student was for a Pell grant received in the previous year because that information isn't needed to determine the student's eligibility for aid for the current year. The SAR and ISIR will have a comment explaining that the student's record was matched with NSLDS, but no information was found to print on the NSLDS page.

▼ *Processing problem.* If there was a problem with the match, the SAR and ISIR won't include financial aid history information. The output document will have a C code and a comment explaining that the CPS couldn't determine whether the student has loans in default and will direct the student to contact the financial aid administrator. You must get the student's financial aid history before disbursing aid. If the student has to make corrections of any kind, the FAFSA information will go through the match again when the corrections are submitted, and you can use the results of that match to determine the student's eligibility.

Example of misreported information on the FAFSA

When Sarven Technical Institute receives Tod's ISIR, it shows that there was a discrepancy with the NSLDS database, and so no financial aid history information is provided. The FAA asks Tod if he provided the correct name and birth date on the application. Tod says he wrote in the wrong month for his birth date, but his name is correct. The FAA checks the NSLDS database using Tod's SSN. NSLDS shows the correct birth date, but the first name of the student is Warren, not Tod. Sarven checks again with Tod, and this time he explains that Tod is a nickname, and Warren is his real name. Sarven determines that the financial aid history associated with the SSN belongs to Tod. It could disburse aid without requiring a correction, but Tod has other corrections to make, so Sarven will wait for the correction before disbursing aid.

Example of incorrect NSLDS data

Lydia is a first year undergraduate at Bennet College, and has never attended college before. When Bennet receives Lydia's ISIR, it shows that there was a partial match, and there's some data associated with her SSN. Bennet checks NSLDS directly, and it shows that a lender is reporting a loan made ten years ago (when Lydia was in elementary school) under her SSN, but with a completely different name and birth date. Bennet determines that this isn't Lydia's loan, and so she has no financial aid history in NSLDS. Bennet also suggests to Lydia that she should contact NSLDS or the lender and ask them to correct the NSLDS data so it doesn't cause problems for her later on.

NSLDS Match

<i>Result</i>	<i>Results flag</i>	<i>Match flag</i>	<i>Comment number and text</i>	<i>Action needed</i>
Match conducted, student not in default or overpayment	1 Match found; NSLDS data sent	1	No comment	None
Match conducted. SSN matched, but name and DOB did not match. C Code	2 Incomplete match; No NSLDS data sent	7	138 The National Student Loan Data System (NSLDS), found your reported social security number on their database, but neither name nor date of birth on the NSLDS record matched. Therefore, this SAR does not contain the financial aid history that is associated with your reported SSN.	Resolution required. Determine if the NSLDS record is the applicant's by accessing NSLDS online using SSN only to retrieve the matching data. This will help tell if the SSN belongs to the student and which data provider gave the conflicting SSN information. This provider may then be contacted directly to resolve the discrepancy. There is no need to wait for NSLDS to be updated before continuing the award process. If the record belongs to the student, use the information in NSLDS to determine eligibility for FSA funds.
Match conducted. Student has at least one loan in default C Code	1 Match found; NSLDS data sent	2	132 The National Student Loan Data System (NSLDS) indicates that you are in DEFAULT on a federal student loan. You are not eligible to receive any federal student aid until your default has been resolved. 124 Contact the following agency(ies) regarding your defaulted federal student loan: Up to three names and phone numbers of guaranty agencies, the DL Servicer, or ED regions that are holding the loan(s) will be listed (comments 181-253)	Resolution required. The output document will have comments indicating who holds the loan. The student must resolve the default before he can receive aid. The student may need to contact the holder of the loan to make a satisfactory arrangement to repay it. If the student has already repaid the loan, obtain documentation that proves that.
Defaulted loan held by a guaranty agency, the Direct Loan Servicer, or an ED region. If defaulted loan is held by ED (not an ED region), comment 124 will not be included.				

NSLDS Match (continued)

<i>Result</i>	<i>Results flag</i>	<i>Match flag</i>	<i>Comment number and text</i>	<i>Action needed</i>
Match conducted. Student owes at least one overpayment. (Pell, FSEOG, or Perkins loan.) C Code	1 Match found; NSLDS data sent	3	133 The National Student Loan Data System (NSLDS) indicates that you received at least one overpayment of federal student aid funds. You are required by law to repay any funds received from the federal student aid programs to which you were not entitled. You are not eligible to receive any federal student aid until you have resolved your overpayment.	Resolution required. The output document will also have comment identifying who holds the overpayment and giving the student more instruction. The student must resolve the overpayment before she can receive aid.
Student has at least one defaulted loan and owes at least one overpayment. (Stafford or PLUS and Pell, FSEOG, or Perkins) C Code	1 Match found; NSLDS data sent.	4	134 The National Student Loan Data System (NSLDS) indicates that you are in DEFAULT on at least one federal student loan and that you received at least one overpayment of federal student aid funds. You are not eligible to receive any federal student aid until these items have been resolved.	Resolution required. It will be the same as for default and overpayment above.

Post-screening—changes after initial match

Once you have received the financial aid history through NSLDS, you aren't required to check for changes to the data before you disburse funds to the student. However, if you learn (from NSLDS or another source) that the student wasn't eligible or is no longer eligible, you must not deliver or disburse any more FSA funds and must help make sure the student arranges to repay the aid that he wasn't eligible for.

NSLDS uses a post-screening process to let you know when there are significant changes (such as a defaulted loan or an overpayment) to a student's financial aid history. If post-screening identifies changes that may affect the student's eligibility, the CPS will generate new output documents so that schools that are listed for receipt of the student's FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a “#” sign, and a system-generated flag of “N” (for NSLDS) will appear.

To help you identify output documents with changed NSLDS data, the document will include an NSLDS transaction number in the “FAA Information” section with the other match flags. This is the number of the last transaction on which the NSLDS data changed, so if you receive an output document with an NSLDS transaction number later than the one on the document you used to determine the student’s eligibility, you should review the NSLDS data on the new document to be sure there are no changes affecting the student’s eligibility. There will be post-screening codes to help determine what changed.

CHECKING THE FINANCIAL AID HISTORY FOR TRANSFER STUDENTS

Before disbursing FSA funds, you must obtain a financial aid history for a student who has received aid at another school, and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process. The financial aid history is used to identify students who are ineligible for any FSA aid due to default or overpayment on an FSA grant or loan, or for aid from a particular FSA program because they’ve reached that program’s annual or aggregate limit.

▼ *Transfer Student Monitoring Process.* You must send NSLDS identifying information for students transferring to your school so that NSLDS can notify you of changes to their financial aid history. You may send information for students who have expressed an interest in attending your school even if they have not yet formally applied for admission.

Through transfer student monitoring, NSLDS will alert you to any relevant changes in the transfer student’s financial aid history—other than the default and overpayment information reported in the post-screening process—that may affect the student’s current award(s). There are three steps: inform, monitor, and alert.

Elimination of paper financial aid transcripts

In the past, you had to get a student’s financial aid history by requesting a paper financial aid transcript from the previous schools the student attended. Since 1996, schools have also been able to get student financial aid histories through NSLDS.

With the introduction of the transfer student monitoring process, schools are no longer required to respond to requests for a paper financial aid transcript. Paper FATs have been eliminated now that financial aid history for all students may be obtained through NSLDS.

34 CFR 668.19,
as revised November 1, 2000

- You must identify students who are transferring to your school by creating a list of transfer students on the NSLDS website or by sending the list to NSLDS as an electronic batch file through SAIG. You may use either method, both methods, or alternate between methods. A change in method used does not require prior notification to NSLDS. To begin using the “Inform” feature, you must designate a school contact on the School Transfer Profile Page (www.nslsdfap.ed.gov) prior to creating any Inform records. The School Transfer Profile tells NSLDS who will be submitting Inform files from or on behalf of your school, and how your school wants to receive an alert notice.
- NSLDS will monitor these students for a change in financial aid history that may affect their current awards and alert you when: a new loan or Pell grant is being awarded, a new disbursement is made on a loan or Pell grant, or a loan or Pell grant (or a single disbursement) is cancelled. *Note: defaulted loans and overpayment information will not be monitored in the Transfer Student Monitoring*

Process, as they are already covered in the current post-screening process. If the student has not already listed your school in Step Six when filing the FAFSA, you would need to have the student add your school in order for you to receive the postscreening information.

- Finally, when NSLDS creates an alert for one or more of your students, it will also send an e-mail notice to your school's designated contact person. That person may then either review the alert list on the NSLDSFAP website or download a batch file, if batch alerts were requested, through SAIG in report or extract format.

▼ *Reviewing the student's financial aid history.* If a student transfers to your school during the award year, you'll need to review the student's NSLDS financial aid history on the ISIR or on-line at the NSLDS Web site. Using the Financial Aid History, you can determine—

- Whether the student is in default or owes an overpayment on an FSA loan or grant,
- The student's scheduled Pell grant and the amount already disbursed for the award year,
- The student's balance on all FSA loans, and
- The amount and period of enrollment for all FSA loans for the award year.

In most cases, the financial aid history on the ISIR will be enough. There are some cases where you might want to check NSLDS for more information. For example, if the student has more than six loans, the ISIR won't have detailed information for some of the loans. If you need that level of detail for those loans, you can get the information from NSLDS. Or, as discussed previously, you might need to use NSLDS to resolve a partial match situation (see "Partial match," p.42).

▼ *Timing of the disbursement.* To pay the student, you'll need to get a valid ISIR, which will include the student's NSLDS financial aid history. Among other things, the ISIR will tell you if the student is in default or owes an overpayment. The post-screening process will send another ISIR to you if the student subsequently goes into default or overpayment status.

When you initiate transfer monitoring for a student, NSLDS will alert you to any significant award changes that have occurred since you last received an ISIR for the student. If you initiate transfer monitoring before you begin receiving ISIRs for a student, NSLDS will track changes in the student's financial aid history from the date of your request, or any future date, to 90 days after the start of enrollment.

Transfer student monitoring process

Through this process for checking the eligibility of transfer students, you may either check the student's financial aid history on the NSLDS website for professionals, or wait seven days after you've submitted the student's information for monitoring to receive a response from NSLDS.

NSLDSFAP
www.nsldsfap.ed.gov

Dear Partner Letters GEN-00-12 and
GEN-01-09

How to get the student's financial aid history.

There are several ways for you to get a student's financial aid history from NSLDS. You can—

- use the NSLDS Financial Aid History section of the ISIR,
- request an electronic data or print file of the financial aid history for specific students through SAIG,
- log on to NSLDS directly and access the data online for an individual student, or
- for multiple students, use the FAT 001 Web report on the NSLDS website.

Targeted alert process

The preamble to the November 1, 2001 regulations explain why a separate transfer student monitoring process was developed: if the ISIR were used to provide this information, "every school that the student listed on the FAFSA would be required to receive an updated ISIR every time new disbursements were reported to NSLDS, including the school that reported those disbursements." Note that transfer student monitoring will not send unnecessary alerts to your school when you report award changes that you have made—it only alerts you about changes to the student's financial aid history at other schools.

See the preamble to November 1, 2001 General Provisions amendments FR Volume 65, No. 212, page 65669

The regulations state that a school may not make a disbursement to the student for seven days following the transfer monitoring request to NSLDS, unless it receives an earlier response from NSLDS or checks the student's current financial aid history by accessing NSLDS directly. Therefore, it's usually a good idea to submit the student's name to NSLDS for monitoring as soon as possible, even if he has not yet decided to enroll at your school.

▼ *Consequences when a transfer student subsequently is found to be ineligible for all or part of an aid disbursement.* If the school has followed the proper procedures for obtaining financial aid history information from NSLDS, it is not liable for any overpayments if the student's situation subsequently changes. However, the student will be liable for the overpayment in this situation, and you may not pay the student further FSA funds until the overpayment is resolved. (See Chapter 8 for information on resolving overpayments.)

EFFECT OF BANKRUPTCY OR DISABILITY CANCELLATION

A student who has filed bankruptcy or had a loan discharged for disability might need to provide some additional documentation before receiving aid.

Bankruptcy

A student with an FSA loan or grant overpayment that has been discharged in bankruptcy remains eligible for FSA loans, grants, and work-study (NSLDS status code BC for loans that did not default and status code DK or OD for loans that defaulted prior to the bankruptcy discharge). A borrower doesn't have to reaffirm a loan discharged in bankruptcy in order to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for bankruptcy or having a debt discharged in a bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is eligible for further FSA funds if the borrower provides you with documentation from the holder of the debt stating that the debt is dischargeable (NSLDS Status Code DO).

A borrower who includes a non-defaulted FSA loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for FSA funds as long as he has no loans in default (including the stayed loan).

Total and permanent disability cancellation

Perkins, Stafford, and PLUS loan borrowers can have their loans discharged for a total and permanent disability. As of July 1, 2002, there is a three-year conditional period beginning the day the borrower became totally and permanently disabled and during which she will not have to pay on the loan. If she meets the disability discharge requirements for those three years, the loan will be discharged.

Total and permanent disability

The condition of an individual who is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death.

NSLDS Loan Status Codes

2004-2005 SARs & ISIRs

Code	Status	Eligible for FSA funds
AL	Abandoned Loan	Yes
BC	No Prior Default Bankruptcy Claim, Discharged	Yes, because loan was not in default and was discharged
BK	No Prior Default Bankruptcy Claim, Active	Yes, because loan was not in default
CA	Cancelled (For Perkins means Loan Reversal)	Yes
CS	Closed School Discharge	Yes
DA	Deferred	Yes
DB	Defaulted, then Bankrupt, Active. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DC	Defaulted, Compromise	Yes, because compromise is recognized as payment in full
DD	Defaulted, Then Died	No, because if borrower is reapplying, then loan status is in error
DE	Death	No, because if borrower is reapplying, then loan status is in error
DF	Defaulted, Unresolved	No
DI	Disability	Yes
DK	Defaulted, Then Bankrupt, Discharged. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	Yes, because defaulted loan has been totally discharged
DL	Defaulted, in Litigation	No
DN	Defaulted, Then Paid in Full Through Consolidation Loan	Yes
DO	Defaulted, Then Bankrupt, Active, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995
DP	Defaulted, Then Paid in Full	Yes, because loan was paid in full
DR	Defaulted Loan Included in Roll-up Loan	Yes, because the loan was combined with other loans and subrogated to the Department, which reported the same information to NSLDS in one loan. The status of that record will determine eligibility.
DS	Defaulted, Then Disabled	Yes, because loan debt is cancelled
DT	Defaulted, Collection Terminated	No
DU	Defaulted, Unresolved	No
DW	Defaulted, Write-Off	No
DX	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

Code	Status	Eligible for FSA funds
DZ	Defaulted, Six Consecutive Payments, Then Missed Payment	No, loan is back in active default status
FB	Forbearance	Yes
FC	False Certification Discharge	Yes
IA	Loan Originated	Yes
ID	In School or Grace Period	Yes
IG	In Grace Period	Yes
IM	In Military Grace	Yes
IP	In Post-Deferment Grace (Perkins only)	Yes
OD	Defaulted, Then Bankrupt, Discharged, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	Yes, because defaulted loan has been totally discharged
PC	Paid in Full Through Consolidation Loan	Yes. Does not matter whether consolidation loan was through FFELP or Direct Loan, nor whether underlying loans were in default
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
RF	Refinanced	Yes, because defaulted loans cannot be refinanced
RP	In Repayment	Yes
UA	Temporarily Uninsured – No Default Claim Requested	Yes
UB	Temporarily Uninsured – Default Claim Denied	Yes, because the loan is not a federal loan while temporarily uninsured
UC	FFEL: Permanently Uninsured/Unreinsured – Non-defaulted Loan. Perkins: Non-defaulted Loan Purchased by School	Yes
UD	FFEL: Permanently Uninsured/Unreinsured – Defaulted Loan. Perkins: Defaulted Loan Purchased by School	Yes, because the loan is no longer a federal loan
UI	Uninsured/Unreinsured	Yes, does not matter if the loan was in default
XD	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA

If a borrower whose loan is discharged wishes to take out another FSA loan, he must obtain a physician's certification that he has the ability to engage in substantial gainful activity, and he must sign a statement that he is aware the new FSA loan can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled. If the prior loan was discharged between July 1, 2001 and June 30, 2002 inclusive, then the student must also reaffirm the discharged loan if less than three years have passed since the date the student became totally and permanently disabled. If the prior loan was *conditionally* discharged on or after July 1, 2002 and the three-year period hasn't yet elapsed, the student must also sign a statement affirming that collection will resume on the old loan (which must begin before receipt of the new loan) and that unless his condition substantially deteriorates, the old loan can't be discharged in the future for any impairment present when he began the conditional discharge or when he tried to get the new loan. If a defaulted loan was discharged and then reaffirmed or was conditionally discharged and payment resumed on it, the student must make satisfactory repayment arrangements before receiving the new loan.

RESOLVING DEFAULT STATUS

A student who is in default on an FSA loan can't receive further FSA aid until he or she resolves the default. The student can resolve the default in a number of ways.

▼ *Repayment in full (including consolidation).* A student can resolve a default by repaying the loan in full and thereby regain eligibility for FSA funds (NSLDS Status Code DP). If the student and the loan holder agree on a compromised amount for settling a loan and the student repays the amount agreed upon, that also counts as paying the loan in full (Status Code DC). If a defaulted loan is successfully consolidated, then it is also counted as paid-in-full (Status Code DN). However, if the loan holder simply writes off the loan, the loan isn't paid in full, and the student remains ineligible for FSA funds [status code DW, though there is no code for a Perkins write-off, which does not make a student ineligible; see 34 CFR 674.47(h)].

The student regains eligibility whether repayment was completed voluntarily or involuntarily (that is, through IRS offset or wage garnishment). Although a student who has repaid her defaulted loan in full is eligible for aid, you can still consider the default to be evidence of a student's unwillingness to repay loans and deny the student future Perkins Loans (see volume 6).

If a student has paid a defaulted loan in full but the SAR and ISIR have a comment showing that he is ineligible because of the default, the student must give you documentation proving that the loan has been paid in full.

▼ *Satisfactory repayment arrangements.* A student in default on an FSA loan can be eligible for FSA aid if he has made repayment



Three-year conditional period for disability cancellation

Federal Register: November 1, 2000
 Loan Discharge Issues
 [Pages 65677-65695]
 Perkins: 674.61(b)
 FFEL: 682.402(c)
 DL: 685.213
 Dear Colleague Letter GEN-02-03

Clarification

Reaffirming a loan that was discharged between 7/1/01 and 6/30/02 means that the loan must be reinstated because it was discharged. This is different from resuming payment on a loan for which the conditional discharge period has not elapsed; the loan in this case has not been discharged.

Example: documenting loan "Paid in Full"

Eddy had a Stafford Loan as an undergraduate that went into default while he was out of school. When he applies for financial aid so he can go to graduate school, his ISIR shows that the loan is still in default. Eddy tells the aid administrator at Guerrero University that he paid off the loan last year. The aid administrator asks Eddy to bring in a letter from the guaranty agency documenting that the loan has been paid and advises Eddy that he should ask the guaranty agency to update his status in NSLDS.

Additional ways of reestablishing eligibility for Perkins loans

Reauthorization added a provision to the Perkins Loan Program that reestablishes the borrower's eligibility if she meets any of the conditions that would remove her Perkins Loan from the school's cohort default rate. This provision only allows the borrower to regain eligibility for Perkins loans, not the other FSA programs. See volume 6.

Satisfactory repayment and rehabilitation

HEA Sec. 428F(a) and (b), 464(h)(1) and (2);

General Provisions: 34 CFR 668.35(a)(2)

Perkins: 34 CFR 674.9(j), 674.39

FFEL: 34 CFR 682.200(b), 682.405

Direct Loans: 34 CFR 685.102(b), 685.211(e)

arrangements that are satisfactory to the loan holder. After the student makes six consecutive, full, voluntary payments on time, he regains eligibility for FSA funds (NSLDS Status Code DX). Voluntary payments are those made directly by the borrower and do not include payments obtained by federal offset, garnishment, or income or asset execution.

You can pay the student as soon as you have documentation that she has made satisfactory repayment arrangements. For example, the lender may update the code for the loan in NSLDS to DX once six payments have been made; you could then use that as confirmation of the repayment arrangement. You may also use a written statement from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement.

▼ *Loan rehabilitation.* Although a student can regain eligibility for all FSA funds by making satisfactory repayment arrangements, the loan is still in default. After the student makes more payments, the loan may be rehabilitated, that is, it won't be in default anymore, and the student will have all the normal loan benefits, such as deferments. A loan will not be rehabilitated until the borrower makes 12 consecutive, full, voluntary payments on time (see volume 6 for more information on rehabilitation in the Perkins/NDSL program).

Rehabilitation example

Eric makes the 12 payments required for rehabilitation of his defaulted loan. His original lender isn't handling student loans anymore, so the guarantor finds another lender to purchase the loan. It takes the guarantor three months to arrange the purchase, and Eric needs to keep making the agreed-on payments on time. Once the new lender has the rehabilitated loan, Eric can apply for an in-school deferment.

Social Security Administration

To be eligible to receive FSA funds, each student must provide a correct Social Security Number (SSN). To confirm the student's SSN for schools, the Department conducts a match with the Social Security Administration. In this chapter, we discuss the SSN requirement and the match process.

The FAFSA collects the student's Social Security Number (SSN) so that the Department can verify it through a match with the Social Security Administration. The Social Security Administration and the FAFSA processing system work together to conduct the match verifying that the student's SSN is valid and that the name and birth date associated with that SSN match the name and birth date provided by the student.

The Central Processing System won't process an application without an SSN. A student who doesn't have an SSN, or doesn't remember his or her SSN must contact the local Social Security office for help. For additional information (in English and Spanish), a student should call the Social Security Administration at 1-800-772-1213 or go to its web site (www.ssa.gov). There is one exception to the requirement to provide SSNs, as discussed below (see "Exception for Micronesia, Marshall Islands, Palau").

The SSN is one of the key identifiers for the student's records at the Department and other agencies. Therefore, you must make sure the Department knows the correct SSN if you find out that the SSN on the application or output document is wrong. You can fulfill this requirement by having the student correct the number.

SSN MATCH

The CPS prints the SSN match result in the "FAA Information" section of the output document as the SSN Match Flag. If the match is successful, the CPS doesn't rematch the student's data against the Social Security database on subsequent transactions. However, the CPS will attempt the match again if the student makes corrections to the name, birth date, or SSN.

Successful match

If the CPS match with the Social Security Administration confirms the student's SSN, and the Social Security records have the same name and birth date as reported on the FAFSA, you may disburse aid to the student. No comment is provided on the output document when the SSN match is successful. Of course, if you have any conflicting

SSN requirement

Higher Education Act
Sec. 484(p),
Student Assistance General Provisions
34 CFR 668.32(i), 668.36

SSN doesn't match

Student reported wrong SSN
→ correct FAFSA data

FAFSA processing error
→ call 1-800-4-FED-AID

Error in SSA database
→ Contact SSA office; resubmit SSN as correction after SSA change is made

Other match problems

- SSN matches, but name and date of birth don't match
- Missing FAFSA information: student didn't report a name or birth date, or didn't sign the FAFSA
- SSN record includes date of death

information about the SSN, you must resolve the conflict before disbursing FSA funds to the student.

Once a student's SSN is confirmed, and there is no discrepancy on the name or birth date, the student can't change the SSN. If a student whose match data have been confirmed subsequently tries to change his SSN, the CPS won't accept the change. Instead, the student's SAR will have a comment telling the student to contact his financial aid administrator for help. In the unlikely event that the confirmed SSN is wrong, the student must correct it by filing a new FAFSA.

No match on the Social Security Number

You must resolve any problems with the match before disbursing aid. If the SSN is not found in the Social Security Administration database, the student's application will be rejected. The student will also receive a comment that instructs her to correct her SSN or contact the SSA if she believes the number reported is correct. If it is wrong on the application, the student will have to correct it with the CPS and get a successful match result before she can receive aid.

▼ *Student reported wrong SSN on the FAFSA.* If the student's application is rejected because she reported an SSN that is not in the Social Security Administration's database, the student must provide the correct SSN to the CPS. This will change the current SSN in the CPS, but it will not change the original, identifying SSN. Previously the Department recommended that a student file a new FAFSA to correct the original SSN, but now that the Common Origination and Disbursement (COD) project will use the current SSN to process records, changing the original SSN is not always necessary (see *Applicants Using Same SSN* later in this chapter).

The COD project has replaced the Direct Loan and Pell (RFMS) reporting systems, but there are other systems, such as EDExpress and possibly some mainframe and servicer systems, that will still use the original SSN to identify records. These systems will be able to interface with COD but might still need the original SSN to process records.

▼ *FAFSA data entry error.* If a student provided the correct SSN on the FAFSA, but the SSN on the output document is wrong, the student can contact the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If the Information Center confirms that there was a data entry error, it will refer the error to the Department for correction—the student does not need to submit a correction. After the data entry error is corrected, the CPS will produce new output documents. See Chapter 5 of the *Application and Verification Guide* for general information on data entry error corrections.

▼ *Error in Social Security database.* If the SSN on the FAFSA is correct but isn't in the Social Security database, the student must contact a local or regional Social Security Administration office to correct the database, which is updated daily with information from local and regional offices. The student must report the correct SSN

COD and SSN changes

See the electronic announcements on the ifap website at www.ifap.ed.gov for information about the COD project. See the January 7, 2004 announcement for SSN corrections in CPS.

and provide verifying documentation. He must also contact a Social Security office directly—the Department of Education cannot correct SSA records. Once the database is updated, the student can submit a correction by re-entering the SSN originally reported as if it is a correction. The CPS will then do another SSN match. The student can't simply verify that the SSN is correct; the application will be rejected until the SSA database is updated.

No match on name or birth date

The student's application won't be rejected if her SSN is in the Social Security database but the name differs from the one she gave. Misspellings or name changes due to marriage are common reasons for a nonmatch. The student should make sure that the name she puts on the application matches the name on her Social Security card.

You can disburse aid if the student can explain the discrepancy and provide documentation showing that the SSN belongs to her. Though she isn't required to contact the SSA to correct their database, and though she can receive aid without correcting the name reported on the FAFSA, we strongly recommend that the data be corrected. The incorrect name can prevent other matches, such as the NSLDS match, from working properly. Also, financial aid history data submitted to NSLDS using the incorrect name may cause problems for the student in later years.

If the student's name and SSN match the SSA's database but the date of birth does not, the application will be rejected. If the error is with the SSA's database, the student should contact the SSA and correct it. The student can override the reject by simply re-entering the correct date, which the CPS will accept. The application will be sent through the match again, and if the SSA's record has been corrected, the match flag will be cleared and no further action is needed. If there is still a disagreement with the SSA record, the student will need to provide the aid office with documentation of her date of birth.

If the student reported the current or a later year as her birth date, her application will be rejected and she must correct the error.

Missing information

No match is performed if the student doesn't sign the FAFSA or provide a last name or birth date. The student's FAFSA will be rejected and the student must submit the missing information.

Although the CPS doesn't conduct the match, it will check to see whether the reported SSN falls within a range of valid numbers. If it does, the student will receive a comment explaining that the match could not be conducted without the name, birth date, or signature. The student must submit a correction providing the missing information. When the correction is sent, the information will be sent to the Social Security Administration for matching, and you should check the new output document for match results.

Example: Incorrect name on application

When Sarven Technical Institute receives Tod's ISIR, the SSN match shows the name on the application isn't the one associated with the SSN in the database. The FAA asks Tod to bring in documentation showing his correct name and SSN. He brings in his Social Security card, and the first name on the card is Warren, not Tod. He also has a driver's license showing his first name is Warren. The FAA could disburse aid to Tod, keeping a copy of the Social Security card as documentation of the correct name. However, because Tod has other corrections to make, the FAA asks him to also correct his name when he makes the other corrections.

Example: Correct name not in database

Elizabeth's ISIR shows that, according to the SSN match, her name doesn't match the one on file for her SSN. When the FAA talks to Elizabeth, she explains that she recently got married and changed her last name. Elizabeth gives the FAA a copy of her marriage certificate. The FAA plans to disburse aid to Elizabeth, but advises her to contact SSA and have the database updated to prevent future problems.

If the SSN is not within the valid range, the student will receive a comment and reject P stating that the reported SSN does not appear to be valid. In addition to submitting the missing name, birth date, or signature on a correction, the student must either contact the Social Security Administration to correct its records (if the reported SSN is correct) or correct the SSN she reported. Again, you should check the new output document for match results.

Date of death

If the Social Security Administration's database shows a date of death associated with the SSN the student reported, the student's application will be rejected. Students resolve this problem in the same way as problems matching the SSN. The student must either contact Social Security Administration to get the records corrected, or must submit a change with the correct SSN (see "No Match on SSN").

Example: Students using same SSN

Hector completes an application in January, but uses his brother Eddy's SSN instead of his own. When Hector gets his SAR, he realizes that he used the wrong SSN, corrects the SAR, and mails it back to the processor. He gets a new SAR with the correct SSN, but it has the same identifier as the first SAR. Eddy files an application in April, and is surprised to receive a SAR that doesn't match what was on his application because it has Hector's information instead. Eddy goes to the financial aid office at Guerrero University, where a counselor tells him he'll need to file a correction application. Hector is also attending Guerrero, so the counselor contacts Hector to explain why he'll need to file a new application even though he already has a SAR with the correct information.

APPLICANTS USING SAME SSN

When applicants with similar names report the same SSN by mistake, they may end up with a shared record identifier. The record identifier is made up of the SSN and the first two letters of the applicant's last name. The CPS uses this record identifier to identify the applicant for the rest of the award year, even if the student later makes a correction to the SSN or last name on the SAR or ISIR. If another student submits an application with the same SSN and first two letters of the last name, the CPS assumes the application is a duplicate application from the first applicant. As is usual with duplicate applications, the CPS won't accept the data on the new application (except for a new address or different schools). In addition, the shared number will cause problems for both students in the CPS and Pell systems, because the systems will treat them as a single student.

The student who has used the wrong SSN and now has a shared identifier **must** correct this error by filing a new FAFSA. The student cannot simply submit a correction on the SAR or through EDE, because he will still have the same shared identifier.

If the student using the correct SSN applied after the other student, he must submit a special application called a "correction application." This correction application will enable the CPS to accept the student's data instead of treating the application as a duplicate and providing the other student's data on the output document. If the student using the correct SSN applied first, her data should already be on the application record, so a correction application isn't necessary. However, the student should check if the address and schools have been changed and should correct those if necessary.

Both students should keep copies of all the output documents, including those from the first FAFSAs filed. When the students file the correction application or a new FAFSA, the application receipt date is changed. Because some schools and agencies use this receipt date to determine if the student met a deadline, the students should keep the

Social Security Number Match

Note: only students with a match flag of 4 (successful match) can get PINs

<i>Result</i>	<i>Match flag</i>	<i>"C" code or rejected application</i>	<i>Comment number and text</i>	<i>Action needed</i>
Successful match	4		No comment	No resolution required.
Match conducted. Date of birth inconsistent with SSA records	2	Reject R	060 The date of birth you reported on your application doesn't match the Social Security Administration's records. If the date of birth you reported is correct, contact the SSA. If it is incorrect, you should make corrections on this SAR.	Resolution required. If the date of birth is correct, the student must re-enter it on the SAR/ISIR to reaffirm it is correct. The CPS will then reprocess the transaction. Also, the student should contact the SSA to update its record so that this reject does not appear again. If the date is corrected, the record will be sent again for matching. Review subsequent transactions for the updated match flag.
Match conducted. Name inconsistent with SSA records	3	C code	061 The name you reported on your application doesn't match the Social Security Administration's records. If the name you reported is correct, contact SSA. If it is incorrect, you should make corrections on this SAR.	Resolution required. Student may provide document explaining discrepancy in name (e.g. marriage certificate). If the name is correct, the student can contact the SSA to correct its record. Once that's done, the student may re-enter the name and submit it. If the name is incorrect, the student can correct it on the SAR/ISIR, which will be sent for rematching. Review subsequent transactions for the updated match flag.
Match conducted. No match on SSN (SSN invalid)	1	Reject 18	024 The Social Security Administration (SSA) did not confirm that the social security number you reported on your aid application is valid. If you believe that the number you reported is correct, contact the SSA. If the social security number is incorrect, you should submit a new application with the correct social security number.	Resolution required. If the student's SSN is correct, the student must contact SSA. Once the SSA corrects its record, the student can reenter the SSN and submit it. If the SSN is incorrect, the student can correct it on the SAR/ISIR, which will show the SSN in field 8, but the student's original SAR ID will not change. Alternately, the student can file a new FAFSA, which will be treated as an original application and show that the SAR ID and the SSN are the same.

Social Security Number Match (continued)

<i>Result</i>	<i>Match flag</i>	<i>"C" code or rejected application</i>	<i>Comment number and text</i>	<i>Action needed</i>
No match conducted. Record could not be sent to SSA because no last name, date of birth, or signature provided.	8	Rejects N, 5, 13, 14, and/or 16	059 The Social Security Administration could not determine if the social security number you reported belongs to you because you did not give us your last name or date of birth. Review these items and make the necessary corrections.	Resolution required. The student must provide the name, date of birth, and/or signature. When the corrections are submitted, the application will be rematched with SSA. Review subsequent transactions for updated match flag.
No match conducted. Record could not be sent to SSA because no last name, date of birth, or signature provided.	8	Rejects N, 5, 13, 14, 16 and/or P	023 It appears that the social security number you reported on your application is not valid. Review the number you reported in item 8 and make the necessary corrections.	Resolution required. The student must provide the name, date of birth, and/or signature. The student should resolve the SSN problem according to the note under action needed for comment 24.
No additional match conducted. Applicant tried to change SSN after SSA verified that reported SSN was correct.	4		013 You cannot change your social security number, because the Social Security Administration already verified that this social security number belongs to you.	If the student used the wrong SSN, yet his name, date of birth, and SSN were confirmed by SSA on the previous transaction, this must be resolved. Contact ED's Correction Application Coordinator at 785-838-2141 for further instructions.
Match conducted. Successful match to a deceased person's record on the SSA database.	5	Reject 8	145 According to Social Security Administration (SSA) records, the social security number you provided in Item 8 belongs to a deceased person. If the SSN in Item 8 is correct, you must contact an SSA office to resolve this problem.	Resolution required. The student should resolve this problem according to the note under action needed for comment 24.

output documents to show the original receipt date and to show why a second (and later) application was necessary.

If you believe that a correction application may be needed, contact the Department at 1-785-838-2141 for more information. If it is needed, it can be mailed either to your office or to the student.

**SSN exception for residents of
the Freely Associated States**
HEA Sec. 484(a)(4)

EXCEPTION FOR MICRONESIA, MARSHALL ISLANDS, AND PALAU

Students from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are not required to provide SSNs. Students from these areas who don't have SSNs should now send their FAFSAs to the same address that other students do.

The CPS will assign an identification number for students who indicate on their 04-05 FAFSA that their state of legal residence is one of the Pacific Islands and who do not provide a Social Security number. As in previous years, these applications are exempt from the SSN match with the SSA.

Pacific Island students without SSNs can use *FAFSA on the Web* to apply electronically—there is an edit that allows these students to enter an SSN beginning with 888. As an alternative you can use EDEExpress to transmit the FAFSA data for these students.

Anyone required to register with Selective Service at any time must have done so to receive aid. The Department performs a match with Selective Service to confirm a student's registration. In this chapter, we discuss the registration requirement and the Selective Service match.

GENERAL INFORMATION

Men of ages 18 through 25 are required to register with the Selective Service System. This requirement covers U.S. citizens and most other men residing in the United States, except that a man who is in the U.S. as a lawful nonimmigrant isn't required to register as long as he maintains that status (see the exceptions to the registration requirement under "Exemptions" below). Students who are required to register with the Selective Service must do so to be eligible for FSA funds, but parents who want to borrow a PLUS loan don't have to meet the registration requirement.

The student has several ways to register, which include using the application process. There's a question on the FAFSA that asks if the student wants Selective Service to register him. By answering "Yes," the student gives the Department of Education permission to submit his registration information to the Selective Service so that he may be registered. He can also ask to be registered by changing the answer to this question on the SAR to "Yes" and submitting the correction (of course, the answer to the question "Are you male?" must be yes too). The student may also register at the post office with a form available there, or he can register online at the Selective Service website (www.sss.gov).

In some cases, a student will not be able to register using the FAFSA or SAR. Generally, however, a male student who is between 18 and 26 and who has not registered previously may use this method. Students who have questions about Selective Service registration may contact the Selective Service at 1-847-688-6888 or on the web.

EXEMPTIONS

Men exempted from the requirement to register include:

- males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);

Selective Service requirement

General Provisions
34 CFR 668.32(j), 668.37

Age and registration

The student can be registered with Selective Service as early as 30 days before his 18th birthday. If the student is too young, Selective Service will hold the registration until the student is within 30 days of his 18th birthday. Students 26 and older can't be registered.

Gender and registration

Only males are required to register. Whether a person is male or female is a matter for medical determination. If a school needs to determine whether a student is male or female for Selective Service purposes, the school should tell the student to contact the Selective Service for a Status Information Letter.

Exemptions

34 CFR 668.37(a)(2)

Exemption examples

Tod has been on active duty in the Army from the time he was 18, and didn't register with Selective Service before he joined the Army. He's now 24, is planning to leave the Army, and wants to receive financial aid. If he applies while he's still on active duty, he doesn't need to be registered with Selective Service. Once he leaves, he must be registered, or else he won't be able to receive aid in later years. In most cases, when someone completes an enlistment contract he is automatically registered, so Tod is probably already registered even though he didn't complete a separate registration form.

George was enrolled in an officer procurement program at the Virginia Military Institute, which he started a month before he turned 18. When he was 22, he had a serious accident and was hospitalized; he officially dropped out of school a month after he was hospitalized. Due to his injuries he was hospitalized for four years. Because he qualified for a waiver for the entire time he was 18 through 25, he was not required to register with Selective Service.

- males who are not yet 18 at the time that they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application);
- males born before 1960;
- citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia*;
- noncitizens who first entered the U.S. after they turned 26;
- noncitizens who entered the U.S. as lawful nonimmigrants on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.

There are certain less common situations in which registration isn't necessary. Students who weren't required to register prior to meeting one of these criteria and who meet a criterion for the entire time through the age of 25 qualify for the waiver if

- they are unable to register due to being hospitalized, incarcerated, or institutionalized;
- they are enrolled in any officer procurement program at The Citadel, North Georgia College and State University, Norwich University, Virginia Military Institute, Texas A&M University, or Virginia Polytechnic and State University; or
- they are commissioned Public Health Service officers on active duty or members of the Reserve of the Public Health Service on specified active duty.

If the student isn't required to register, you must document the student's status. If the student isn't clearly exempt from the requirement to register, you should ask the student to document the exemption by providing the school with a Status Information Letter from the Selective Service.

As mentioned above, noncitizens who first enter the U. S. after the age of 26 aren't required to register. Only those immigrant men who enter and live in the U.S. at ages 18 through 25 are required to be registered. If a male immigrant can show proof that he first entered the U.S. when he was past registration age, he is clearly not required to be registered, and no Status Information Letter is needed. The student's entry documentation is enough to show whether he was required to register.

*A citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who lives in the United States for more than one year for any reason except as a student or employee of the government of his homeland must register.

SELECTIVE SERVICE MATCH

To check that students who must be registered actually are registered, the CPS performs a match with the Selective Service System. The CPS provides a match flag showing the results in the FAA Information section of the output document. In addition, the output document has a comment about the match results.

Successful matches

If the match shows that the student is registered or exempt, a comment confirming this fact will be on the student's output document. The student is then eligible for aid.

The student is also eligible for aid if the match shows that the student is still too young to register. If the student asks to be registered, Selective Service will hold onto that registration request until 30 days before the student's 18th birthday and will then register the student.

Finally, the student is also eligible if the CPS successfully forwards the student's name to Selective Service for registration.

Unsuccessful matches

If the match doesn't confirm the student's registration, or the student can't be registered, the output document will have a comment about the problem. A "C" flag will also be printed next to the student's EFC. Until the student resolves the registration problem, you can't pay FSA funds to the student or certify or originate a loan.

▼ *Registration not confirmed.* If the match shows that the student isn't registered, the student must either register or provide evidence that he is registered or is exempt from registration. The student's Selective Service Registration Acknowledgement or letter of registration shows that the student is registered. You can also go to the Selective Service web site at www.sss.gov and check on the student's registration status—a printout of the web page is acceptable documentation that the student is registered. If the student doesn't have an acknowledgement or letter of registration, and the web site doesn't confirm his registration, he'll have to contact Selective Service to resolve the problem. If the conflict is resolved in the student's favor, he'll receive a letter from the Selective Service documenting that he is registered or that he is exempt from registering.

▼ *Unsuccessful registration.* The CPS won't be able to forward the student for registration if certain information—first and last name and date of birth—is missing. The student should submit a correction with the required information, and you can check the match results from this correction to see if the student is eligible.

If the student is 26 or older, the CPS cannot register the student but will send his record through the data match. If the student is not registered, he can no longer do so, and you will have to determine if he is eligible for aid despite failing to register.

Status information letter codes

The Selective Service has different types of status information letters. A code appears in the lower left-hand corner to indicate the type of letter in question. The codes are listed below.

Decisions about financial aid for a man who failed to register with Selective Service should not be based solely on these letter codes. Financial Aid Administrators are obliged to review all evidence presented by a student to determine if he has shown "by a preponderance of evidence" that his failure to register was neither willful nor knowing.

- **E1-E8.** A letter with any of these codes indicates that the student was not required to register or was exempt the entire time he could have registered (ages 18 through 25).
- **NR.** A letter with this code indicates that the student was born before 1960 and is therefore not required to register.
- **RR.** A letter with this code indicates that the student said he attempted to register but that Selective Service has no proof that he attempted to register.
- **NM.** A letter with this code indicates that the student did not register although he was on active duty in the armed forces only for a portion of the time when he could have registered (between ages 18 through 25) and was, therefore, required to register.
- **RL.** A letter with this code indicates that the student was required to register, that the Selective Service has no record of his registration, and that Selective Service records show he was sent one or more letters requesting his compliance with the registration requirement during the period he was required to be registered.
- **RD.** A letter with this code indicates that the student provided a reason for not registering (or provided documentation proving him exempt from this requirement) but that the Selective Service determined the reason or documentation to be invalid; therefore, this code indicates that the student was required to register but did not. No notices requesting compliance with the registration requirement were sent.

Unsuccessful registration

example

On his FAFSA, Hector asks the CPS to forward his information to the Selective Service for registration. However, he's over 26, so the Selective Service can't register him. His output document comes back with a blank match flag and comment 33. Hector didn't enter the U.S. until after his 26th birthday, so he doesn't have to be registered. Guerrero University already has information about his citizenship status, including the date he arrived in the U.S., so it has documentation that Hector is exempt from registration. The FAA at Guerrero explains to Hector that he wasn't required to register with Selective Service because he didn't immigrate to the U.S. until after his 26th birthday.

Failure to register

34 CFR 668.37(d),(e)

Veteran Status Match

See the Application and Verification Guide for information on the veteran match and dependency status.

Appeals—Selective Service registration

The school's decision is final and cannot be appealed to the Department except in one limited instance. The regulations state that the Department will hear appeals from students who have provided their schools with proof that they are in compliance (i.e., that they are registered or exempt from registration) but who are still being denied federal student aid based on the registration requirement. 34 CFR 668.37(f)

FAILURE TO REGISTER

Some students have been denied aid because they failed to register with the Selective Service before their 26th birthday. The Selective Service will register only males age 18 through 25, leaving older students with no way to remedy their situation if they failed to register. However, the student may still be eligible to receive aid if he can demonstrate that he did not knowingly and willfully fail to register.

A student who served on active duty in the armed forces but who did not register before turning 26 is still eligible to receive FSA funds because it's reasonable to conclude that he was not trying to avoid registering for the draft. Ask the student to provide a copy of his DD Form 214, "Certificate of Release or Discharge from Active Duty," showing military service in the armed forces — other than the reserve forces, the Delayed Entry pool, and the National Guard.

Students without military service who knew of the registration requirement but chose not to register are considered to have knowingly and willfully failed to register and are therefore ineligible for FSA funds. Your school's decision in this case is final and cannot be appealed to the Department except as noted in the margin.

Determining if non-registration was knowing and willful

Unless you can document that the student meets one of the allowable exemptions regarding registration or can document that the student served in active duty in the armed forces (and whose character of service was other than dishonorable), the student must write to the Selective Service to get a Status Information Letter addressing his failure to register. He may also download a request form from the Selective Service website (www.sss.gov) to print out, complete, and mail. The student should provide as complete a description about his situation as possible: where he was living during the period when he should have registered, whether he was incarcerated or institutionalized, his citizenship status during the period, if applicable, and so on.

If the student receives a "general exemption letter" (codes E1-E8) or a "DOB before 1960" letter (code NR), the student is exempt from registration and may receive FSA funds. If the student receives any other type of letter, you must determine based on all relevant evidence whether the student knowingly and willfully failed to register. The letter from Selective Service may provide information that is crucial to your decision. For example, if the student received a letter indicating a compliance letter had been sent (code RL), this letter would be a negative factor when you make the determination. If the student received a "Military Service: Noncontinuous" letter (code NM), you might reasonably determine that the student did not knowingly and willfully avoid registration.

Most of the Status Information Letters state that the final decision regarding the student's eligibility rests with the agency awarding funds. For the purposes of the FSA Programs, the decision is made by your school, which represents the Department of Education. If you

Selective Service Match

<i>Result</i>	<i>Comment number and text</i>	<i>Action needed</i>
Match conducted. Applicant's registration status confirmed by Selective Service. Match flag Y	No comment	None
Match conducted. Applicant not in Selective Service database. Match flag N C Code	030 The Selective Service reported that you have not registered with them. If you are female or were born before 1960, registration is not required. Otherwise, if you have not yet registered, are male, and are 18 through 25 years of age, you must either answer "Yes" to both Items 21 and 22 on this SAR, complete a Selective Service registration form at your local post office, or register on-line at www.sss.gov . If you believe you have already registered or are exempt, please contact the Selective Service at 1-847-688-6888.	Resolution required. The student must either register with the Selective Service, provide proof that he has already registered (such as his registration acknowledgement), or qualify for an exemption or waiver.
Match conducted. Student is within 45 days of his 18th birthday. Applicant is temporarily exempt because he is not yet 18 years old. Match flag T	026 If you want to register with Selective Service, you may either answer "Yes" to both Items 21 and 22 on this SAR, complete a Selective Service registration form at your local post office, or register on-line at www.sss.gov . Selective Service will not process your registration until 30 days before your 18th birthday.	No resolution required. An update is not required during the year.

determine that the student's failure to register was knowing and willful, the student loses FSA eligibility.

When deciding whether the student had knowingly and willfully failed to register, you should consider the following factors:

- **Where the student lived when he was age 18 through 25.** For example, if a student was living abroad, it is more plausible that he would not come into contact with the requirement for registration.
- **Whether the student claims that he thought he was registered.** Mistakes in recordkeeping can occur. Correspondence indicating an attempt to register could form a basis for determining that the student did not knowingly and willfully fail to register. On the other hand, a letter from Selective Service stating that it received no response to correspondence sent to the student at a correct address would be a negative factor.
- **Why the student claims he was not aware of the widely publicized requirement to register when he was age 18 through 25.**

Results from Selective Service Registration via FAFSA

<i>Result</i>	<i>Comment number and text</i>	<i>Action needed</i>
Registration conducted. Forwarded name to Selective Service for registration as requested on application or SAR. Match flag Y	031 We have forwarded your name to Selective Service for registration, as you requested.	No resolution required.
Registration conducted. Forwarded name to Selective Service for registration as requested on application or SAR. Match flag T	028 We have forwarded your name to Selective Service for registration, as you requested. They will process your registration request 30 days prior to your 18th birthday.	No resolution required.
Registration not conducted. Applicant requested that ED send name to Selective Service for registration, but applicant is either not within age range or some information needed to register him is missing. Match flag blank C Code	033 We could not send your name to Selective Service as you requested because you did not give us enough information, you are outside the age range for registration, or you did not sign your form. If you are at least 18 but not yet 26, you may register by answering "Yes" to both Items 21 and 22 on this SAR. You must also provide information for Items 1, 2, and 9. You may also register by completing a Selective Service registration form available at your local post office, or by registering online at www.sss.gov . If you are a male who has reached age 26, you cannot use the SAR to register. You must contact Selective Service at 1-847-688-6888 to resolve your registration status before you can receive federal student aid. You are exempt from registering if born before 1960.	Resolution required. If the student is 18-25, he should make corrections to the SAR/ISIR and submit it. If the information needed to register the student is present, his name will be sent to the Selective Service. Review subsequent SAR/ISIR for updated registration flag. If the student is 26 or older and has not registered, he must obtain documentation from the Selective Service about his status. If he is not exempt or eligible for a waiver, he might not be eligible for aid. (See "Failure to Register.")
Match flag N C Code	057 Selective Service did not register you because you did not answer "Yes" to Item 21. If you want to register, answer "Yes" to BOTH items 21 and 22 on this SAR, complete a Selective Service registration form at your local post office, or register on-line at www.sss.gov .	Resolution required.

Program-related Eligibility Requirements

Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs, but there are additional factors that are program-specific.

PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study to receive a Pell grant, though there are rare teaching certification exceptions (see the next page). A student who has earned a baccalaureate degree or a first professional degree (a degree offered by professional programs such as pharmacy, dentistry, or veterinary medicine) is not considered to be an undergraduate and cannot receive a Pell grant.

An undergraduate course of study usually doesn't exceed 4 academic years or is a program of 4 to 5 academic years designed to lead to a baccalaureate or first professional degree. If the program is longer than 5 years (for example, a 6-year pharmacy program), then students are considered undergraduates only for the first 4 academic years of the program unless the school designates that the graduate program begins after the end of the third academic year; see the definition of graduate or professional student in 34 CFR 682.200.

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school, or the degree is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell grant. However, if he can provide written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, your school may determine that the student does not have a bachelor's degree. This documentation may include information about the type of institution the student attended and total years of education leading to the foreign degree.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until she has completed the curriculum requirements for a first bachelor's degree.

Undergraduate student definition and requirement

34 CFR 690.2, 34 CFR 690.6, HEA Sec. 401(c)

Wrong grade level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he will be a graduate student or has a bachelor's degree, he must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that he is ineligible for Pell. If the application isn't corrected, the school won't be able to award him a Pell grant.

Eligible postbaccalaureate program and the FAFSA

34CFR 690.6(c)

Normally a student who indicates on the FAFSA that he has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, in order to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually falls under the eligible postbaccalaureate provision.

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program, then he is no longer eligible to receive a Pell Grant.

Eligible postbaccalaureate program

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- the program does not lead to a graduate degree,
- the school offering the program does not also offer a bachelor's degree in education,
- the student is pursuing an initial teacher certification or licensing credential within a state, and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this very limited provision, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees.

For FSA purposes, a school must treat a student who receives a Pell grant under this provision as an undergraduate student enrolled in an undergraduate program. The student is eligible for fifth year undergraduate (not graduate student) Stafford loan limits. However, the student would not be eligible for an FSEOG.

Incarcerated students

Students incarcerated in federal and state penal institutions aren't eligible for Pell grants, but students incarcerated in local penal institutions are. Students incarcerated by jurisdictions defined as a state in the law, such as the District of Columbia, are considered to be in a state penal institution and aren't eligible for Pell grants. A student isn't considered incarcerated if she is in a halfway house or home detention or is sentenced to serve only on weekends.

The cost of attendance for students who are incarcerated in local penal institutions is limited to tuition and fees and the price of books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see Volume 3 of the *FSA Handbook*.

Incarcerated Students & Pell

HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(ii),

"Dear Colleague" Letter P-94-7

Costs for incarcerated students

HEA Sec. 472(6)

STAFFORD AND PLUS LOANS

Some eligibility requirements relating to Stafford and PLUS loans, such as handling defaults and the total and permanent disability discharge, have already been discussed in the NSLDS chapter.

Generally a student must be enrolled or accepted for enrollment in a degree or certificate program to receive FSA funds. However, there are exceptions that apply to DL and FFEL Stafford and PLUS loans.

Preparatory coursework

A student may apply for a Stafford or PLUS loan for coursework that the school has documented is necessary for the student to enroll in an eligible program. The coursework must be part of an eligible program otherwise offered by the school, although the student does not have to be enrolled in that program. If a student is enrolled at least half time in these prerequisite courses, he is eligible for loans for one consecutive 12-month period beginning on the first day of the loan period. If the period of preparatory courses spans more than one academic year, the student may receive multiple loans.

Students seeking to enter an undergraduate degree or certificate program may borrow at the first-year undergraduate loan level, and students trying to enroll in a graduate or professional program may borrow at the fifth-year undergraduate loan level. For undergraduate and graduate students, the loan limit is not prorated if the coursework is less than an academic year.

To be eligible under this exception, the student must be taking classes that are a prerequisite for admission. If he is only taking them to raise his GPA in order to be admitted, he would not qualify for loans under this exception.

Teacher certification coursework

Chapter 1 explains that a student with a bachelor's degree who is taking coursework necessary for a credential or certification for teaching at the elementary or secondary level may apply for a Stafford loan, among other aid. See that text for more information.

Parent borrower eligibility

To borrow a PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. A stepparent is also eligible to borrow a PLUS loan if her income and assets would be taken into account when calculating the dependent student's EFC. A legal guardian is not considered a parent for FSA purposes.

A parent may receive a PLUS Loan only to pay for the educational costs of a dependent undergraduate student who meets the eligible student definition. A parent may not borrow a Direct PLUS loan and a FFEL PLUS loan on behalf of the student for the same enrollment period at the same school.

Preparatory coursework example

Eddy has a bachelor's degree, with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a FFEL or Direct Loan for this coursework.

Teacher certification programs

34 CFR 668.32(a)(1)(iii)

Medical internships and residencies

A student is ineligible to receive a Stafford loan or a Perkins loan while in a medical internship or residency program unless it is part of the school's degree program. This restriction does not apply to students in dental internship programs.

Members of a religious order

A member of a religious order is not considered to have financial need for purposes of the FSA programs if the religious order meets certain criteria. Members of any religious order, society, agency, community, or other organization that (1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being and (2) directs students' courses of study or provides students with subsistence support, aren't considered to have financial need. Therefore, the members of these religious orders can't receive subsidized Direct loans, subsidized FFELs, Pell grants, or campus-based aid. They are eligible, however, for unsubsidized FFELs and unsubsidized Direct loans. 34 CFR 674.9(c), 675.9(c), 676.9(c), 682.301(a)(2), 685.200(a)(2)(ii), 690.75(d)

A parent must meet the same citizenship and residency requirements as a student. Similarly, a parent who owes an overpayment on an FSA grant or is in default on an FSA loan is ineligible for a PLUS loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent's ineligibility for a PLUS loan does not affect the student's eligibility for FSA funds.

Under the FFEL program, if the parent borrower has previously borrowed a Stafford or PLUS loan on which collection activity has ceased, she must reaffirm the loan in the same way that is described in 34 CFR 682.201(a)(4) for student borrowers.

Under both the FFEL and DL programs, if the parent had a prior Stafford loan that was cancelled for total and permanent disability, he must adhere to the same eligibility requirements outlined for Stafford borrowers in chapter 3.

Finally, a parent is not eligible for a PLUS loan if the federal government holds a judgment lien on her property.

Parent adverse credit history

A parent with an adverse credit history is prohibited from obtaining a PLUS Loan unless the parent meets additional criteria. The lender or the Department obtains a credit report on each applicant for a loan from at least one national credit bureau. An applicant is considered to have an adverse credit history if

- he is 90 days or more delinquent on any debt, or
- during the 5 years preceding the date of the credit report, he has been determined to be in default on a debt, his debts have been discharged in bankruptcy, or he has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of an FSA debt.

A FFEL lender is permitted to establish a more stringent definition of adverse credit history than these regulatory criteria. However, under both the FFEL and DL programs, a parent cannot be rejected for a PLUS Loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history.

A parent with an adverse credit history can qualify for a PLUS Loan by securing an endorser who doesn't have an adverse credit history. The endorser for this purpose may not be the dependent student for whom the parent is borrowing. Instead of securing an endorser, a parent may appeal a determination of adverse credit history to the lender (for FFELs) or ED (for DLs) by documenting extenuating circumstances. The lender or ED has the final decision on whether to make a loan to the parent.

A student whose parent cannot obtain a PLUS loan is allowed to borrow additional unsubsidized Stafford amounts if your school participates in the PLUS program.

Refusing to originate or certify a loan

A school may choose not to certify or originate a Stafford or PLUS loan or may certify it for a reduced amount. Such decisions must be made on a case-by-case basis and must not be part of a pattern or practice that denies access to loans because of borrowers' race, gender, color, religion, national origin, age, disability status, income, or selection of a particular lender or guaranty agency. For example, your school cannot engage in a policy of certifying Stafford loans only in the amount needed to cover the school charges, or a policy of limiting unsubsidized Stafford borrowing by independent students. You must notify the student in writing of the reason for the decision and keep documentation supporting the decision in the student's file.

Authority to refuse to originate/certify a loan

FFEL 34 CFR 682.603(e)

Direct Loans 34 CFR 685.301(a)(7)

FFEL lender of last resort

A student who is otherwise eligible for a subsidized Stafford loan and, after not more than two rejections, has been unable to find an FFEL lender willing to make such a loan, should contact the guaranty agency in his state of residence or the guaranty agency in the state in which the his school is located. The guaranty agency either must designate an eligible lender to serve as a lender of last resort (LLR) or must itself serve in that capacity and must respond to the student within 60 days. An LLR cannot make a loan that exceeds the borrower's need, and it is not required to make a loan for an amount less than \$200. The LLR, as with any other lender, may refuse to make the loan if the borrower fails to meet the lender's credit standards. Each guaranty agency is required to develop rules and procedures for its LLR program.

CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Stafford and PLUS loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the campus-based programs unless the student is seeking aid to attend a teacher certification or professional credential program.

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Perkins Loan and Federal Work-Study (FWS) programs. Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Education Opportunity Grants (FSEOGs). This means that a student who has earned a bachelor's or first professional degree may receive a Perkins loan or FWS wages to pursue a graduate or additional undergraduate degree, but he may not get an FSEOG.

See the margin note on p. 34 about how the Compact Act affects FSEOG and FWS eligibility for students from the Republic of the Marshall Islands and the Federated States of Micronesia.

Teacher certification programs

As with Stafford loans, a school may award a Perkins loan or FWS to a student who is enrolled or accepted for enrollment at least half-time in a program that doesn't lead to a degree or certificate from

Perkins loan eligibility

34 CFR 674.9

Medical internship or residency

HEA 464(c)(2)(A)(i)

Incarceration

34 CFR 668.32(c)(2)(ii)

Default

HEA 464 (b)(1)

Teacher certification programs

34 CFR 668.32(a)(1)(iii)

the school but that is required by a state for a professional credential or certificate for teaching at the elementary or secondary school level. See chapter 1.

Special sessions

A student who enrolls as a regular student in an eligible program during a special session, such as a short term between fall and spring semesters, may receive campus-based aid if he meets the same general eligibility requirements that apply to a student enrolled in a regular session. If a student is not enrolled during the special session, he is not eligible to receive campus-based aid during the period of non-attendance, except in the case of an FWS job.

PERKINS LOANS

Both undergraduate and graduate students may receive loans under the Federal Perkins Loan Program, but students with *exceptional need* (as defined by your school) have priority. To be eligible for a Perkins loan, a student must meet the general student eligibility requirements and must not have borrowed the maximum amounts. A student who has earned a bachelor's or first professional degree may receive a Perkins loan to pursue an additional undergraduate degree.

An individual who is serving in a medical internship or residency program, with the exception of a dental internship, is not eligible for a Perkins loan.

An incarcerated student is not eligible for Federal Student Aid (FSA) loans, including Perkins loans.

A borrower who is in default on an FSA loan is not eligible for a Perkins Loan unless she has regained eligibility. However, a borrower who satisfies any of the conditions that remove her defaulted Perkins loan from the school's cohort default rate becomes eligible for additional Perkins loans.

Previous disability cancellation

34 CFR 674.9(g) and (h)

As with Stafford loans, if a borrower has obtained a discharge of a Perkins loan or NDSL due to total and permanent disability and is applying for another Perkins loan or NDSL, she must follow the procedure explained in chapter 3. These conditional discharges for Perkins loans will have the code "AE."

As mentioned above, a school may award Perkins loans or FWS to students for enrollment in an eligible teacher certification or professional credential program; see chapter 1.

Willingness to repay

34 CFR 674.9(e)

Willingness to repay

In selecting Perkins Loans recipients, a school must consider evidence of a borrower's willingness to repay the loan. Previous delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay other loans.

For example, if a borrower has previously satisfied a defaulted student loan involuntarily (such as by garnishment of the borrower's wages), a school should consider this as evidence of unwillingness to repay and should deny further loan assistance to the borrower.

Previous Perkins loan discharged in bankruptcy

As a result of the Bankruptcy Reform Act of 1994, a student or parent may not be denied FSA loans solely on the basis of a bankruptcy filing or discharge. They also may not be required to repay a previously discharged loan in order to reestablish eligibility for new loans. However, FAAs have somewhat more latitude in making awards under the Perkins program than under DL and FFEL because they may consider a student's willingness to repay. If a student has filed for or received a discharge in bankruptcy, has had an FSA loan determined dischargeable by a court of law, or has had an FSA loan discharged in bankruptcy, the bankruptcy may be considered when determining a student's willingness to repay provided it is not the sole basis for the determination and for a denial of a Perkins loan. Schools may also, of course, consider the student's post-bankruptcy credit history in determining willingness to repay.

FEDERAL WORK-STUDY (FWS)

To be eligible for a Federal Work-Study (FWS) job, a student must meet the usual eligibility criteria and must have financial need, that is, his cost of attendance (COA) must be greater than his expected family contribution (EFC). Also, a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student's need. However, unlike the other two campus-based programs, the FWS Program does not require that priority be given to students who have *exceptional* financial need. In choosing students for FWS employment, schools must follow the selection procedures discussed in volume 3.

Earnings for the next period of enrollment

Many FWS students must pay the bulk of their education costs in the beginning of each period of enrollment before they have had a chance to earn FWS wages. To provide the opportunity to earn wages before incurring education costs, the Department allows students to earn FWS wages to cover expenses for the next period of enrollment offered by the school. The student must be planning to enroll for that next period and must demonstrate financial need for it. The next period of enrollment is usually the next term, including a summer period, or in the case of summer earnings, the next full academic year. A student may earn FWS wages toward the next period of enrollment during any period, including during a period of non-attendance (see below) or a period of enrollment made up, in whole or in part, of mini-sessions.

Periods of non-attendance

A student may be employed under FWS during a period of non-attendance, such as a summer term, an equivalent vacation period, the full-time work period of a cooperative education program, or an

Work during non-attendance

34 CFR 675.25(b)

Additional FWS criteria

For information on eligible FWS jobs, see volume 6, The Campus-Based Programs.

unattended fall or spring semester. The student must be planning to enroll for the next period of enrollment and must have demonstrated financial need for that period. The student's net earnings (earnings minus taxes and job-related costs) during this period of nonattendance must be used to cover expenses associated with her financial need for the next period of enrollment, which is usually the next term, including a summer period, or in the case of summer earnings, the next full academic year.

A student who was not attending school in the summer but who was eligible for summer FWS employment because he anticipated being enrolled in the fall may fail to then attend school. When a student fails to attend for the next period of enrollment, the school that employed him must be able to demonstrate that he was eligible for employment and that the school had reason to believe the student intended to study at that school in the next period of enrollment. At a minimum, the school that employed the student must keep a written record in its files showing that he had accepted the school's offer of admittance for the next period of enrollment.

Mini-session example

Cohogs University has a summer term made up of three mini-sessions. Ted enrolls in classes for the June and August mini-sessions, but does not enroll in any classes for the July mini-session. Ted has a financial need of \$500 for his attendance in two of the summer mini-sessions. Ted also plans to enroll in the following fall semester and has a remaining need of \$250 for that semester. Ted is given a \$750 FWS award in the summer (\$500 for the two summer mini-sessions and \$250 for the fall semester). Ted knows his June mini-session courses will be very demanding and he will not have time to work. So, Ted earns \$500 during the July mini-session when he has no classes. Ted has classes again in August, but his academic workload is lighter. In August, Ted earns \$250 towards his education costs in the upcoming fall semester.

A student in an eligible program of study abroad may be employed during a period of non-attendance preceding the study abroad if she will be continuously enrolled in her American school while abroad and if her study is part of the American school's own program. In such a case, a student may be employed in a qualified position in the United States, at the American school's branch campus in a foreign country, or at a U.S. government facility abroad.

Mini-sessions

If a school combines a series of mini-sessions or modules into one term (e.g., three summer mini-sessions into one summer term), an FWS student attending any of the mini-sessions may earn FWS wages at any time throughout that term. The school may apply those earnings toward the student's financial need for the mini-session(s) attended or the next period of enrollment. The school must base the student's financial need for attending the summer term on the period of time for which the student is actually enrolled in the mini-sessions.

The amount of FWS wages a student may earn at any point in the term does not depend on whether the student is then enrolled in a mini-session. The school or student may choose how to distribute the hours worked throughout the summer term.

FSEOG eligibility

34 CFR 676.9
34 CFR 668.32(c)(1)

FSEOG

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must meet the general eligibility requirements discussed in the other chapters of this volume. An eligible recipient must also be an undergraduate student and have financial need, and students with the lowest EFCs who will also receive Pell grants for the award year have primary consideration for FSEOG money. See the volume on calculating awards.

An undergraduate student is defined under the FSEOG Program as a student who is enrolled in an undergraduate course of study at an institution of higher education and who

- has not earned a bachelor's degree or first professional degree; and
- is in an undergraduate course of study that usually does not exceed four academic years or is enrolled in a four- to five-academic-year program designed to lead to a first degree.

A student who has earned a bachelor's or first professional degree is not eligible to receive an FSEOG to pursue an additional undergraduate degree based on the above definition of undergraduate student. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

FSEOG undergraduate student definition

34 CFR 676.2(b)